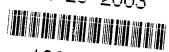
12-29-2003



U.S. DEPARTMENT OF COMME U.S. Patent and Trademark Office

(Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings	
Tab settings	
Name of conveying party(ies): PSC, Inc.	Name and address of receiving party(ies) Name: Internal
Individual(s) Association General Partnership Limited Partnership Corporation-State − New York Other Additional name(s) of conveying party(ies) attached? Yes No 3. Nature of conveyance: Assignment Merger Security Agreement Change of Name Other Execution Date: 12/23/03	Address: _Suite 1450 Street Address: _ 1000 Abernathy Road City: _AtlantaState: _GA_Zip:_ 30328 Individual(s) citizenship Association
4. Application number(s) or registration number(s): 76/337700; 76/387114; 78/217517 Additional number(s) at 5. Name and address of party to whom correspondence	6. Total number of applications and
Concerning document should be mailed: Name: Internal Address: Attn: Penelope J.A. Agodoa Federal Research Company, LLC 1030 15th Street, NW, Suite 920 Washington, DC 20005	7. Total fee (37 CFR 3.41)
202.783.2700 Street	8. Deposit account number:
Michael A. Witt, Esq. Name of Person Signing	December 23, 2003 Signature Date Date

Form PTO-1594

Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

<u>Use</u>	8	8	(8)	8	®	8	8	@	⊗	8	8	⊗	®	8	@	@	8
Status	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Registered	-Registered
Goods/Services	28-May-85 Bar code readers	14-Feb-89 Bar code scanners	28-Feb-89 Bar code instruments and accessories	06-Apr-93 Bar code scanners	15-Feb-94 Optical and electronic instruments; namely, bar code scanners, readers and verifiers	28-Nov-95 Bar code data collection system, namely Registered bar code computer hardware and software with instruction manuals for collecting and man	03-Feb-98 Laser module with connector attachment for portable bar code reader, and accompanying user manuals	05-May-98 Bar code readers	19-May-98 Bar code scanners	23-Jun-98 Bar code scanning devices for data collection and data management, namely, hand-held laser devices and charged coupled devices	29-Dec-98 Bar code decoders	02-Mar-99 Microprocessor controlled portable hand Registered held data terminal and scanning devices for the collection and management of data; oper	24-Aug-99 Bar code readers, combination reader/scales and replacement parts therefor		18-Apr-00 Bar code scanners	15-Aug-00 Laser bar code scanners	26-Sep-00 Microprocessor controlled portable hand Registered
Reg Date	28-May-85	14-Feb-89	28-Feb-89	06-Apr-93	15-Feb-94	28-Nov-95	03-Feb-98	05-May-98	19-May-98	23-Jun-98	29-Dec-98	02-Mar-99	24-Aug-99		18-Apr-00	15-Aug-00	26-Sep-00
Registration	1,337,701	1,524,241	1,526,629	1,763,625	1,821,097	1,938,760	2,134,238	2,155,185	2,159,237	2,168,466	2,214,110	2,228,022	2,272,867	2,314,811	2,343,961	2,377,824	2,388,963
<u>FileDate</u>	04-Sep-94	14-Jan-88	13-Jun-88	17-Jun-91	23-Apr-93	30-Dec-94	22-Jan-97	25-Jul-95	13-Jul-95	08-Nov-96	18-Jul-97	10-Dec-97	16-Jul-97	17-0ct-94	15-Sep-97	17-0ct-94	31-Jan-97
Application#	73/497,748	73/705,549	73/733,863	74/176,692	74/381,711	74/616,774	75/229,686	74/705,940	74/702,552	75/195,372	75/327,128	75/403,011	75/325,308		75/356,613	74/586,325	75/234,310
MARK	PERCON	SCAN DO	PSC Bar Logo	AUTOSENSE	PEOPLE SERVICE CUSTOMERS Q3 PSC & Design	INTELLITRACK	TOPGUN	DIRECT ILLUMINATION	MINUET	SNAPSHOT	POWERWEDGE	PT2000	MAGELLAN SL	QUICK SCAN	DUET	QUICKSCAN	FALCON
Owner	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.

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Use	8	®	8	®	8	8	(8)	®	(B)	TM	ТМ	TM	TM	TM	TM	TM	TM	TM	TM
<u>Status</u>	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Pending TM application	Pending TM application (allowed)	Pending TM application	Common Law TM	Common Law TM	Common Law TM	Common Law TM	Common Law TM	Common Law TM	Common Law TM
Goods/Services	9/18/2003 Software for use in operating bar code scanners	18-Dec-01 Bar code scanners and software for bar code scanners	3/12/2002 Laser bar code scanners	07-May-02 Computer software for use in providing granularity control in bar code laser scanners, and interfaces and symbology for bar cod	23-Jul-02 Laser bar code scanners	24-Sep-02 Industrial hand held barcode readers	10-Dec-02 Barcode reader module for personal digital assistant	7/29/2003 Bar code readers, combination bar code Registered readers and scales, and replacements parts therefor	9/23/2003 Bar code readers, bar code scanners; Registered bar code decoders	Decoding Software for bar code readers Pending TM application and for combination bar code readers and scales	Software for development of applications for wireless portable data collection terminals	Platters for bar code scanner scales	Bar code readers, combination bar code Common Law TM readers and scales, and replacements parts therefor						
Reg Date	9/18/2003	18-Dec-01	3/12/2002	07-May-02 0	23-Jul-02	24-Sep-02	10-Dec-02	7/29/2003	9/23/2003										
Registration	2,491,163	2,520,686	2,545,489	2,566,833	2,596,429	2,625,415	2,660,094	2,744,187	2,767,372	76-337700	76-387114	78-217517							
<u>FileDate</u>	13-Jan-99	10-Mar-99	26-Apr-95	18-Aug-00	25-Apr-95	28-Aug-98	16-Feb-00	13-Nov-01	22-Dec-00	13-Nov-01	22-Mar-02	21-Feb-03		danga recentra					
Application#	75/620,156	75/657,043	74/667,113	76/113,301	74/665,865	75/544,849	75/921,154	76/337,449	76/185,639										
MARK	QUADRALOGIC	LASERSENSE	QUICKSCAN PSC & Laserburst Logo	CONFIGURATOR EXPRESS	QUICKSCAN & Laserburst	POWERSCAN	MOMENTUM	SURROUNDSCAN	PSC Star Design Logo	FIRSTSTRIKE	RFBUILDER	ALL-WEIGHS	3D SCANNING	AUTORANGE	BUILDING VALUE FOR LIFE	CASHIER TRAINING	POCKETREADER	PRODUCE RAIL	PRODUCTIVITY INDEX REPORTING
Owner	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.	PSC Inc.

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Security Agreement") dated as of December 23, 2003, is made by PSC INC., a New York corporation ("Assignor"), in favor of WELLS FARGO FOOTHILL, INC. (together with its successors and assigns, "Agent"), as agent for the Lenders (as identified below) and the Bank Product Providers.

WITNESSETH:

WHEREAS, Assignor and PSC SCANNING, INC., a Delaware corporation (individually a "Borrower" and collectively, "Borrowers"), are parties with the Agent (as the arranger and administrative agent), and the lenders identified on the signature pages thereto (such lenders, together with their respective successors and permitted assigns, the "Lenders"), to that certain Loan and Security Agreement of even date herewith (as the same may be amended, supplemented or modified from time to time, the "Loan Agreement"), which provides (i) for Lender to make certain loans to Borrowers, and (ii) for the grant by each Borrowers to Agent of a security interest in Borrowers' assets, including, without limitation, its patents, patent applications, trademarks, trademark applications, trade names, copyrights, service marks, service mark applications, goodwill and licenses, and all proceeds thereof.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor (intending to be legally bound hereby) agrees as follows:

- 1. <u>Incorporation of Loan Agreement</u>. The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.
- 2. Security Interest in Intellectual Property. To secure the complete satisfaction and payment when due or declared due of all indebtedness, liabilities, obligations (including the Obligations), or undertakings owing by Assignor to the Agent, the Lenders or any Bank Product Provider of any kind or description arising out of or outstanding under, advanced or issued pursuant to, or evidenced by the Loan Agreement, this Security Agreement, or any of the other Loan Documents, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, voluntary or involuntary, whether now existing or hereafter arising, and including all interest, costs, indemnities, fees (including attorneys fees) and expenses (including interest, costs, indemnities, fees, and expenses that, but for the provisions of the Bankruptcy Code, would have accrued irrespective of whether a claim therefor is allowed) and any and all other amounts which Assignor is required to pay pursuant to any of the foregoing, by law, or otherwise owing by the Borrowers to Lenders, Agent and/or the Bank Product Providers, including, without limitation, the "Obligations" as defined in the Loan Agreement (collectively, the "Obligations"), Assignor hereby grants to Agent, for the benefit of the Lenders and the Bank Product Providers, a first priority perfected security interest and lien having priority over all other security interests and liens, with power of sale, upon the occurrence of an Event of Default (as defined in the Loan Agreement), all of Assignor's right, title and

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interest in and to all of the following now owned and existing and hereafter arising, created or acquired property (collectively, the "Intellectual Property"):

- (i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Exhibit A attached hereto and hereby made a part hereof, and (a) all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages, proceeds and payments now and hereafter due or payable under or with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a)-(d) of this subsection 2(i), are sometimes hereinafter referred to individually as a "Patent" and, collectively, as the "Patents"); and
- trademarks, trademark registrations, trademark applications, trade names and tradestyles, brand names, service marks, service mark registrations and service mark applications, including, without limitation, the trademarks, trade names, brand names, service marks and applications and registrations thereof listed on Exhibit B attached hereto and hereby made a part hereof, and (a) all renewals or extensions thereof, (b) all income, royalties, proceeds, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names and tradestyles, brand names, service marks and applications and registrations thereof, together with the items described in clauses (a)-(d) of this subsection 2(ii), are sometimes hereinafter referred to individually as a "Trademark" and, collectively, as the "Trademarks"); and
- (iii) rights under or interests in any patent, trademark, or copyright license agreements with any other Person (to the extent such license agreements may be assigned without violating the terms of any such license agreement; provided that each such license agreement shall be deemed automatically assigned to Agent as security and Assignor shall execute any and all documents that Agent may from time to time request relating thereto at such time as any such restriction shall no longer be applicable) with respect to any of the Intellectual Property or any other patent, trademark, service mark or any application or registration thereof or any other trade name or tradestyle between Assignor and any other Person, whether Assignor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Exhibit C attached hereto and hereby made a part hereof (all of the foregoing license agreements and Assignor's rights thereunder are referred to collectively as the "Licenses"); and
- (iv) the goodwill of Assignor's business connected with and symbolized by the Trademarks; and
- (v) copyrights, copyright registrations and copyright applications, used in the United States and elsewhere, including, without limitation, the copyright registrations and copyright applications listed on Exhibit D attached hereto and made a part hereof, and (a) renewals or extensions thereof, (b) all income, royalties, proceeds, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for

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past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing copyrights, copyright registrations and copyright applications, together with the items described in clauses (a)-(d), are sometimes hereinafter individually and/or collectively referred to as the "Copyrights"); and

- (vi) all trade secrets, formulas, processes, devices, know-how, or compilations of information (including technical information and non-technical information such as customer lists and marketing plans), collectively referred to as trade secrets, which are not available to others and which are maintained as confidential by Assignor, and the right to prevent misappropriation and unauthorized disclosures thereof and all rights corresponding thereto throughout the world (all of the foregoing trade secrets and associated rights are sometimes hereinafter individually and/or collectively referred to as the "**Trade Secrets**").
- 3. <u>Representations and Warranties</u>. Assignor hereby represents and warrants to Agent for the benefit of the Lenders and the Bank Product Providers, which representations and warranties shall survive the execution and delivery of this Security Agreement, that:
- (i) None of the Intellectual Property has been adjudged invalid or unenforceable nor has any such Intellectual Property been cancelled, in whole or in part, and each such Intellectual Property is presently subsisting;
- (ii) None of the Intellectual Property infringes upon the rights or property of any other Person or is currently being challenged in any way, and there are no pending or, to the knowledge of the Assignor, threatened claims, litigation, proceedings or other investigations regarding any of the Intellectual Property;
- (iii) Each of the Intellectual Property material to the Assignor's business is valid and enforceable, and the Assignor has adopted adequate precautions to protect its Trade Secrets from unauthorized or accidental disclosure;
- (iv) Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Intellectual Property, free and clear of any liens, security interests, mortgages, charges and encumbrances, including, without limitation, licenses, consent-to-use agreements, shop rights and covenants by Assignor not to sue third Persons;
- (v) Assignor has adopted, used and is currently using all of the Trademarks, and Assignor's use thereof does not infringe the intellectual property rights of any person or entity;
- (vi) Assignor has no notice or knowledge of any suits or actions commenced or threatened with reference to or in connection with any of the Intellectual Property;
- (vii) Assignor has the unqualified right to execute and deliver this Security Agreement and perform its terms, this Security Agreement has been executed and delivered by a duly authorized officer of Assignor, and this Security Agreement is a legally enforceable obligation of Assignor;

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- (viii) No trademark opposition or cancellation proceedings have ever been filed with the United States Patent and Trademark Office against any of the Trademarks; and
- (ix) The Licenses, complete copies of which have been provided to Assignor, are valid and binding agreements, enforceable in accordance with their terms (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency and similar laws from time to time in effect). Each of the Licenses is in full force and effect and has not been amended or abrogated and there is no default under any of the Licenses.
- 4. Restrictions on Future Agreements. Assignor agrees that until all Obligations shall have been satisfied and paid in full and the Loan Agreement shall have been terminated, Assignor shall not, without the prior written consent of Agent (upon direction from the Required Lenders), sell, transfer, mortgage, convey, dispose, encumber or assign any or all of, or grant any license or sublicense under (other than non-exclusive licenses in the ordinary course of business), the Intellectual Property, or enter into any other agreement with respect to the Intellectual Property, and Assignor further agrees that it shall not take any action or permit any action to be taken by others subject to its control, including, without limitation, licensees or sublicensees, or fail to take any action, which would adversely affect the validity or enforcement of the rights provided or transferred to Agent under this Security Agreement.
- Agent for the benefit of the Lenders and the Bank Product Providers that the Intellectual Property listed on Exhibits A, B, C, and D, respectively, constitute all of the Intellectual Property now owned by Assignor. If, before all Obligations shall have been satisfied in full or before the Loan Agreement has been terminated, Assignor shall (i) become aware of any existing Intellectual Property of which Assignor has not previously informed Agent, (ii) obtain rights to any new patentable inventions or other Intellectual Property, or (iii) become entitled to the benefit of any Intellectual Property which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and Assignor shall give to Agent prompt written notice thereof. Assignor hereby authorizes Agent to modify this Security Agreement by amending Exhibits A, B, C, and D, as applicable, to include any such Intellectual Property, and to file or refile this Security Agreement with the U.S Patent and Trademark Office and U.S. Copyright Office. Assignor agrees to execute and deliver any and all documents and instruments necessary or advisable to record or preserve Agent's interest in all Intellectual Property added to Exhibits A, B, C, and D pursuant to this Section.
- Agreement shall extend until the earlier of (i) the expiration of all of the respective Intellectual Property collaterally assigned hereunder, and (ii) the indefeasible payment in full of all Obligations and the termination of the Loan Agreement. Assignor agrees that upon the occurrence and during the continuance of an Event of Default, the use by Agent for the benefit of the Lenders and the Bank Product Providers of all Intellectual Property shall be worldwide and as extensive as the rights of Assignor to use such Intellectual Property, and without any liability for royalties or other related charges from Agent, Lenders or the Bank Product Providers to Assignor. Upon the occurrence of any Event of Default, Assignor hereby authorizes: (a) the Commissioner of Patents and Trademarks, United States Patent and Trademark Office (or as appropriate, such equivalent agency in foreign countries), to issue any and all Patents to Agent

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for the benefit of the Lenders and the Bank Product Providers as assignee of Assignor's entire interest therein; (b) the Register of Copyrights, United States Copyright Office (or as appropriate, such equivalent agency in foreign countries), to issue any and all certificates of registration or renewal for all of the Copyrights to Agent for the benefit of the Lenders and the Bank Product Providers as assignee of Assignor's entire interest therein; and (c) the Commissioner of Patents and Trademarks, United States Patent and Trademark Office (or as appropriate, such equivalent agency in foreign countries) to issue any and all certificates of registration or renewal for all of the Trademarks to Agent for the benefit of the Lenders and the Bank Product Providers as assignee of Assignor's entire interest therein and in the goodwill of Assignor's business connected therewith and symbolized thereby.

7. [Intentionally omitted]

- 8. Agent's Right to Inspect; Trademark Quality Control. Agent shall have the right, at any time and from time to time with prior notice (unless an Event of Default has occurred and is continuing, in which case prior notice shall not be required) and, during normal business hours and prior to payment in full of all Obligations and termination of the Loan Agreement, to inspect Assignor's premises and to examine Assignor's books, records and operations, including, without limitation, Assignor's quality control processes. Assignor agrees (i) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof and (ii) to provide Agent, upon Agent's request from time to time, with a certificate of an officer of Assignor certifying Assignor's compliance with the foregoing. Upon the occurrence of an Event of Default, Assignor agrees that Agent, or a conservator appointed by Agent, shall have the right to establish such additional product quality controls as Agent, or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Assignor under the Trademarks. The foregoing notwithstanding, unless and until an Event of Default shall have occurred, Agent agrees to hold confidential and not disclose or use any non-public information regarding any Patent, Trademark or License unless such disclosure is required by applicable law or court order. This obligation shall survive the termination of this Agreement, the release of the security interest herein and such reassignment of the Intellectual Property, as applicable, unless such termination is due to an Event of Default.
- 9. Release of Security Agreement. Upon the payment and performance in full in cash of the Obligations, including the cash collateralization, expiration or cancellation of all Obligations, if any, consisting of letters of credit, and the full and final termination of any commitment to extend any financial accommodations under the Loan Agreement, this Security Agreement shall terminate, and Agent shall execute and deliver such documents and instruments and take such further action reasonably requested by Assignor, at Assignor's expense, as shall be necessary to evidence termination of the security interest granted by Assignor to Agent for the benefit of the Lenders and the Bank Product Providers hereunder.
- 10. <u>Expenses</u>. All costs and expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Borrowers. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' and paralegals' fees and legal expenses, incurred by Agent (for the benefit of the Lenders and the Bank Product Providers) in connection with the filing or recording of any documents (including all taxes in

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connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Intellectual Property, or in defending or prosecuting any actions or proceedings arising out of or related to the Intellectual Property, shall be borne by and paid by Borrowers on demand by Agent on behalf of the Lenders and the Bank Product Providers and until so paid shall bear interest at the "default rate of interest" set forth in Section 2.6(c) of the Loan Agreement.

- Duties of Assignor. Assignor shall have the duty to the extent 11. commercially reasonable and in Assignor's good faith business judgment: (i) to file and prosecute diligently any patent, trademark or service mark applications pending as of the date hereof or hereafter until all Obligations shall have been paid in full and the Loan Agreement has been terminated, (ii) to make application on unpatented but patentable inventions and on trademarks and service marks, (iii) to preserve and maintain all rights in the Intellectual Property (including, but not limited to, with respect to Trademarks, the filing of affidavits of use and, incontestability, where applicable, under §§8 and 15 of the Lanham Act (15 U.S.C. § 1058, 1065) and renewals and, to the extent commercially reasonable, initiating opposition or cancellation proceedings or litigation against users of the same or confusingly similar marks who seriously threaten the validity or rights of Assignor in its Trademarks), and (iv) to ensure that the Intellectual Property is and remains enforceable. Any and all costs and expenses incurred in connection with Assignor's obligations under this Section 11 shall be borne by Assignor. Assignor shall not knowingly or unreasonably abandon any right to file a patent, trademark or service mark application, or abandon any pending patent application, or any other Intellectual Property, without the prior written consent of Agent (at the direction of the Required Lenders).
- 12. Agent's Right to Sue. After an Event of Default, Agent for the benefit of the Lenders and the Bank Product Providers shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Intellectual Property, and, if Agent shall commence any such suit (at the direction of the Required Lenders), Assignor shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents and instruments reasonably required by Agent for the benefit of the Lenders and the Bank Product Providers in aid of such enforcement and Borrowers shall promptly, upon demand, reimburse and indemnify Agent for all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Agent (for the benefit of the Lenders and the Bank Product Providers) in the exercise of its rights under this Section 12.
- 13. <u>Waivers</u>. No course of dealing between Assignor and Agent, nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- 14. <u>Severability</u>. The provisions of this Security Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

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- 15. <u>Modification</u>. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the Assignor and the Agent (at the direction of the Required Lenders).
- 16. Cumulative Remedies; Power of Attorney; Effect on Loan Agreement. All of Agent's rights and remedies with respect to the Intellectual Property (for the benefit of the Lenders and the Bank Product Providers), whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Assignor hereby authorizes Agent for the benefit of the Lenders and the Bank Product Providers upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Agent as Agent may select, in its sole discretion, as Assignor's true and lawful attorney-in-fact, with power to, for the benefit of the Lenders and the Bank Product Providers, (i) endorse Assignor's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Intellectual Property, or (ii) take any other actions with respect to the Intellectual Property as Agent deems to be in the best interest of Agent, or (iii) grant or issue any exclusive or non-exclusive license under the Intellectual Property to any person or entity, or (iv) assign, pledge, sell, convey or otherwise transfer title in or dispose of any of the Intellectual Property to any person or entity. Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney being coupled with an interest shall be irrevocable until all Obligations shall have been paid in full and the Loan Agreement has been terminated. Assignor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Agent under the Loan Agreement but rather is intended to facilitate the exercise of such rights and remedies. Agent shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Loan Agreement, all rights and remedies allowed by law, in equity, and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in New York.
- 17. <u>Indemnification</u>. Assignor hereby agrees to and shall defend, indemnify, save, and hold Agent, the Lenders and the Bank Product Providers and each of their respective officers, directors, employees, affiliates, and agents harmless from and against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any person or entity arising out of or relating to this Security Agreement or the transactions contemplated hereby, and (b) all costs, expenses, charges, penalties, damages, and losses (including, without limitation, reasonable attorneys' fees and out-of-pocket costs and expenses) in any way suffered, incurred, or paid by Agent (on behalf of the Lenders and/or the Bank Product Providers) as a result of or in any way arising out of, following, or consequential to this Security Agreement or the transactions contemplated hereby, except for any demands, claims, liabilities and losses suffered or incurred by Agent, any Lender or any Bank Product Provider because of its willful misconduct or gross negligence. The indemnification obligations of Assignor provided hereby shall survive the termination of this Security Agreement and the Loan Agreement.
- 18. <u>Binding Effect; Benefits</u>. This Security Agreement shall be binding upon Assignor and its respective successors and assigns, and shall inure to the benefit of Agent, its successors, nominees and assigns; provided, however, Assignor shall not assign this Security Agreement or any of Assignor's obligations hereunder without the prior written consent of Agent.

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- 19. <u>Governing Law</u>. This Security Agreement shall be governed by, enforced and construed in accordance with the internal laws of the State of New York, without regard to choice of law or conflict of law principles.
- 20. <u>Headings; Counterparts</u>. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede. This Security Agreement may be signed in one or more counterparts, but all of such counterparts shall constitute and be deemed to be one and the same instrument. Any fax signature shall be deemed to be as legally enforceable and effective as a signed original.
- 21. <u>Further Assurances</u>. Assignor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Agent shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein. Assignor acknowledges that a copy of this Security Agreement will be filed by the Agent with the United States Patent and Trademark Office and, if applicable, the United States Copyright Office, at the sole cost and expense of Assignor.
- 22. <u>Survival of Representations</u>. All representations and warranties of Assignor contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Loan Agreement.
- at any time or from time to time, and at the sole cost and expense (including, without limitation, reasonable attorneys' fees) of Assignor, Assignor shall take all actions and execute and deliver any and all instruments, agreements, assignments, certificates and/or documents, reasonably required by Agent to collaterally assign any and all of Assignor's foreign patent, copyright and trademark registrations and applications now owned or hereafter acquired to and in favor of Agent. Upon the execution and delivery of any such collateral assignments or documents, the terms "Patents", "Copyrights", and "Trademarks" as used herein shall automatically be deemed amended to include such foreign patent, copyright and trademark registrations and applications without any action required by any person or entity.
- 24. Venue: Jury Trial Waiver. (a) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS SECURITY AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK OR, AT THE SOLE OPTION OF AGENT, IN ANY OTHER COURT IN WHICH AGENT SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY.
- (b) TO THE FULLEST EXTENT PERMITTED BY LAW, AND AS SEPARATELY BARGAINED FOR CONSIDERATION TO AGENT, ASSIGNOR HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY (WHICH AGENT ALSO WAIVES) IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR OTHERWISE RELATING TO THIS SECURITY AGREEMENT. ASSIGNOR HEREBY EXPRESSLY ACKNOWLEDGES THE

- 8 -

INCLUSION OF THIS JURY TRIAL WAIVER AND ACKNOWLEDGES THAT IT HAS HAD THE OPPORTUNITY TO CONSULT WITH INDEPENDENT LEGAL COUNSEL REGARDING ITS MEANING.

[Signature Page Follows]

IN WITNESS WHEREOF, Assignor has duly executed this Intellectual Property Security Agreement in favor of Agent (for the benefit of the Lenders and the Bank Product Providers), as of the date first written above.

PSC INC.

IN WITNESS WHEREOF, Assignor has duly executed this Intellectual Property Security Agreement in favor of Agent (for the benefit of the Lenders and the Bank Product Providers), as of the date first written above.

PSC INC.

ATTEST:	By:	
	Name:	
By:	Its: President	
Name:		
Its: Secretary		

Agreed and Accepted as of this 23rd day of December, 2003

WELLS FARGO FOOTHILL, INC.

By: Name: Ronald J. Banks

Its: Vice President

such corporation.



Notary Public

County,

My Commission expires:

Listed	Inventor	Inventors Who Have Not	Title	Patent # / PTO	File Date	Issue Date
PSC Inc.	EASTMAN BOLES	Assigned EASTMAN BOLES	OPTICAL DEVICE FOR DETECTING CODED	4,652,750	1/31/1986	3/24/1987
1	L					
PSC Inc.	AKACKELLIAN	None	APPARATUS FOR SCANNING AND READING BAR CODES	4,820,911	7/11/1986	4/11/1989
PSC Inc.	EASTMAN	None	SCAN MODULES FOR BAR CODE READERS AND THE LIKE IN WHICH SCAN ELEMENTS ARE FLEXURALLY SUPPORTED	5.015,831	11/7/1988	5/14/1991
PSC Inc.	EASTMAN	None	BAR CODE READING SYSTEMS HAVING ELECTRICAL POWER CONSERVATION AND LASER RADIATION POWER LIMITING MEANS	5,019,698	8/7/1989	5/28/1991
PSC Inc.	EASTMAN	None	SCAN MODULES FOR BAR CODE READERS AND IN WHICH SCAN ELEMENTS ARE FLEXURALLY SUPPORTED	5,115,120	6/26/1990	5/19/1992
PSC Inc.	EASTMAN QUINN GRODEVANT BOLES	None	DIGITALLY CONTROLLED SYSTEM FOR SCANNING AND READING BAR CODES	5,200,597	2/7/1991	4/6/1993
PSC Inc.	EASTMAN	None	PORTABLE TRANSACTION TERMINAL	5,208,449	9/9/1991	5/4/1993
PSC Inc.	EASTMAN	EASTMAN	DIFFERENTIATING AND INTEGRATING CIRCUIT FOR TRANSLATING BAR CODE SIGNALS INTO CORRESPONDING PULSES	5,210,397	2/10/1992	5/11/1993
PSC Inc.	BOLES	None	HAND HELD BAR CODE SCANNER WITH IMPROVED AIMING MEANS	5,212,371	3/1/1991	5/18/1993
PSC Inc.	QUICK	None	PORTABLE TRANSACTION TERMINAL FOR OPTICAL AND KEY ENTRY OF DATA WITHOUT KEYBOARDS AND MANUALLY ACTUATED SCANNERS	5,212,372	9/9/1991	5/18/1993
PSC Inc.	GRODEVANT	None	SYSTEM FOR AUTOMATICALLY READING SYMBOLS, SUCH AS BAR CODES, ON OBJECTS WHICH ARE PLACED IN THE DETECTION ZONE OF A SYMBOL READING UNIT, SUCH AS A BAR CODE SCANNER	5,237,161	6/5/1991	8/17/1993
PSC Inc.	BEHRENS	None	BAR CODE SCANNER	5,258,604	1/28/1992	11/2/1993
PSC Inc.	GRODEVANT	None	MOTOR CONTROL SYSTEM ESPECIALLY FOR CONTROL OF AN OPTICAL SCANNER	5,258,699	10/29/1991	11/2/1993
PSC Inc.	GRODEVANT	None	SYSTEM FOR AUTOMATICALLY READING SYMBOLS SUCH AS BAR CODES, ON OBJECTS WHICH ARE PLACED IN THE DETECTION ZONE OF A SYMBOL READING UNIT. SUCH AS A BAR CODE SCANNER	5,260,554	10/31/1991	11/9/1993
PSC Inc.	BREMER	None	FALSE BAR CODE INHIBITOR CIRCUIT	5,382,783	5/10/1993	1/17/1995
PSC Inc.	QUINN EASTMAN None	None	DIFFRACTIVE OPTICAL BEAM SHAPING METHODS AND APPARATUS FOR PROVIDING ENHANCED DEPTH OF WORKING RANGE OF BAR CODE SCANNERS	5.386,105	6/7/1993	1/31/1995
PSC Inc.	LAMANNA EASTMAN	None	LAPEL DATA ENTRY TERMINAL	5,389,917	2/17/1993	2/14/1995
PSC Inc.	BREMER	None	BAR CODE SIGNAL DIGITIZER ADAPTED FOR SIGNALS FROM INVERSE BAR CODES	5,420,410	3/18/1994	5/30/1995

Listed	Inventor	Inventors Who Have Not Assigned	Title	Patent # / PTO Link	File Date	Issue Date
PSC Inc.	ZAVISLAN EASTMAN QUINN	None	OPTICAL SYMBOL (BAR CODE) READING SYSTEMS HAVING AN ELECTRO-OPTIC RECEPTOR WITH EMBEDDED GRATING RINGS	5,422,472	10/18/1993	6/6/1995
PSC Inc.	BROOKS	BROOKS	BAR CODE SCANNER AND METHOD OF SCANNING	5,440,110	2/8/1994	8/8/1995
PSC Inc.	WALTS FERLAND None	None	HOLDER FOR HANDHELD PORTABLE BAR CODE SCANNER	5,508,505	10/31/1994	4/16/1996
PSC Inc.	WALTS	None	HAND-HELD BAR CODE SCANNING DEVICE HAVING A MANUALLY OPERATED OPTICAL TRIGGER SWITCH	5,541,397	7/24/1995	7/30/1996
PSC Inc.	KUECKEN	None	SYSTEM FOR WIRELESS COLLECTION OF DATA FROM A PLURALITY OF REMOTE DATA COLLECTION UNITS SUCH AS PORTABLE BAR CODE READERS	5,581,707	6/27/1994	12/3/1996
PSC Inc.	COLEMAN	None	DIGITAL TO ANALOG CONVERTER WITH CONSTANT GATE VOLTAGE	5,594,441	12/30/1994	1/14/1997
PSC Inc.	COLEMAN	None	OPTICAL SCANNER CONTROL SYSTEM AND CIRCUITS	5,598,070	12/9/1994	1/28/1997
PSC Inc.	COLEMAN LAMANNA BENTLEY	None	HAND-MOUNTED OPTICAL SCANNER SYSTEM	5,602,376	5/7/1993	2/11/1997
PSC Inc.	COLEMAN	None	METHOD AND APPARATUS FOR DETECTING EDGES IN A SIGNAL OBTAINED FROM A BAR CODE SCANNED IN THE FRESNEL ZONE	5,608,201	1/4/1995	3/4/1997
PSC Inc.	COLEMAN	None	RESOLUTION ENHANCER CIRCUIT FOR ANALOG TO DIGITAL CONVERTERS	5,608,399	8/1/1995	3/4/1997
PSC Inc.	COLEMAN	None	SYSTEM FOR BAR CODE READING AND SCANNING WITH AUTOMATIC GAIN CONTROL	5,612,529	10/31/1994	3/18/1997
PSC Inc.	QUINN EASTMAN	None	BAR CODE SCANNING AND READING APPARATUS WITH AN OSCILLATING SCANNING ENGINE	5,629,510	10/31/1994	5/13/1997
PSC Inc.	FORBES QUINN EASTMAN	None	OPTICAL ASSEMBLY FOR CONTROLLING BEAM SIZE IN BAR CODE SCANNERS	5,646,391	5/11/1995	7/8/1997
PSC Inc.	COLEMAN	COLEMAN	LOW NOISE WIDE BAND AMPLIFIER	5,661,435	6/7/1995	8/26/1997
PSC Inc.	POSTMAN BERGEN FISH	BERGEN	PCMCIA INTERFACE CARD FOR COUPLING INPUT DEVICES SUCH AS BARCODE SCANNING ENGINES TO PERSONAL DIGITAL ASSISTANTS AND PALMTOP COMPUTERS	5,664,231	4/29/1994	9/2/1997
PSC Inc.	GRODEVANT	None	LASER DRIVE AND CONTROL SYSTEMS USEFUL FOR LASER DIODE PROTECTION	5,666,045	12/9/1994	9/9/1997
PSC Inc.	POSTMAN MILLER None FISH	None	PCMCA INTERFACE CARD COUPLING INPUT DEVICES SUCH AS BARCODE SCANNING ENGINES TO PERSONAL DIGITAL ASSISTANTS AND PALMTOP COMPUTERS	5,671,374	4/25/1995	9/23/1997
PSC Inc.	COLEMAN	None	CIRCUITRY FOR BAR CODE SCANNERS	5,682,028	7/29/1994	10/28/1997

Owner	Inventor	Inventors Who Have Not Assigned	Title	Patent # / PTO Link	File Date	Issue Date
PSC Inc.	4	None	BAR CODE VOID AND SPOT DISCRIMINATION	5,686,716	5/13/1996	11/11/1997
PSC Inc.	COLEMAN GRODEVANT	None	BAR CODING SCANNING SYSTEM FOR AUTOMATICALLY CALCULATING THE OPTICAL POWER OUTPUT LEVELS OF THE LIGHT SOURCE	5,696,370	11/12/1996	12/9/1997
PSC Inc.	EASTMAN QUINN WHITCOMB ZAVISLAN	None	BAR CODE SCANNING AND READING APPARATUS AND DIFFRACTIVE LIGHT COLLECTION DEVICE SUITABLE FOR USE THEREIN	5.714.750	10/5/1994	2/3/1998
PSC Inc.	FORBES QUINN EASTMAN	None	OPTICAL ASSEMBLY FOR CONTROLLING BEAM SIZE IN BAR CODE SCANNERS	5,717,194	3/7/1996	2/10/1998
PSC Inc.	EASTMAN QUINN	EASTMAN QUINN	OPTICAL SYSTEM FOR SCANNING AND READING BAR CODES WHICH IS ADAPTED TO BE CONFIGURED IN A HAND HELD UNIT	5,750,976	9/29/1995	5/12/1998
PSC Inc.	OCINN NT NT	None	OPTICAL SYSTEM FOR SCANNING AND RECORDING BAR CODES WHICH IS ADAPTED TO BE CONFIGURED IN A HAND HELD UNIT	5,786,581	11/25/1996	7/28/1998
PSC Inc.	COLEMAN	None	OPERATING AND CONTROL SYSTEM FOR LASERS USEFUL IN BAR CODE SCANNERS	5,787,103	1/16/1996	7/28/1998
PSC Inc.	GRODEVANT	None	SYSTEM FOR DRIVING AND CONTROLLING THE MOTION OF AN OSCILLATORY ELECTROMECHANICAL SYSTEM ESPECIALLY SUITABLE FOR USE IN AN OPTICAL SCANNER	5,796,222	8/9/1996	8/18/1998
PSC Inc.	ACTIS CHERRY BRADLEY DIEBALL	None	READABILITY MONITORING SYSTEM FOR OPTICAL CODES	5,837,983	6/10/1996	11/17/1998
PSC Inc.	COLEMAN	None	METHOD AND APPARATUS FOR REDUCING BANDWIDTH LIMITED NOISE IN BAR CODE SCANNER	5,852,286	3/20/1996	12/22/1998
PSC Inc.	ВОУО	None	BAR CODE DIGITIZER INCLUDING A VOLTAGE COMPARATOR	5,864,129	5/5/1997	1/26/1999
SC Inc.	WALKER BLACKMAN	None	AUTOMATED METHOD FOR FILLING DRUG PRESCRIPTIONS	5,883,370	6/5/1996	3/16/1999
PSC Inc.	<u> </u>	None	NON-CONTACT ACTUATED TRIGGER APPARATUS FOR BAR CODE LASER SCANNER	5,907,147	6/12/1997	5/25/1999
PSC Inc.	LA BOYD	None	BAR CODE READING AND DATA COLLECTION UNIT WITH ULTRASONIC WIRELESS DATA TRANSMISSION	5,959,284	3/25/1997	9/28/1999
PSC Inc.	MUNROLA	None	COMBINATION RANGE LASER SCANNER UTILITIZING PERIODIC RANGE SWITCHING	5,979,769	11/4/1997	11/9/1999
PSC Inc.	POSTMAN MILLER FISH	POSTMAN MILLER FISH	POSTMAN MILLER POSTMAN MILLER PCMCIA INTERFACE CARD FOR COUPLING FISH SCANNING ENGINES TO PERSONAL DIGITAL ASSISTANTS AND PALMTOP COMPUTERS	6,041,374	3/14/1997	3/21/2000

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Listed	Inventor	Inventors Who	Title	Patent # / PTO	File Date	Isena Data
Owner		Have Not Assigned		Link		
PSC Inc.	COLEMAN	None	METHOD AND APPARATUS FOR REDUCING BANDWIDTH LIMITED NOISE IN BAR CODE SCANNER	6,045,044	12/22/1998	4/4/2000
PSC Inc.	OLMSTEAD COLLEY	None	OPTICAL READER WITH ADAPTIVE EXPOSURE CONTROL	6,155,488	8/23/1996	12/5/2000
PSC Inc.	COLLEY OLMSTEAD	None	OPTICAL READER WITH ADAPTIVE EXPOSURE CONTROL	6,230,975	10/7/1999	5/15/2001
PSC Inc.	OLMSTEAD COLLEY	None	OPTICAL READER WITH CONDENSED CMOS	6.276,605	10/29/1998	8/21/2001
PSC Inc.	OLMSTEAD COLLEY	None	OPTICAL READER WITH CONDENSED CMOS CIRCUITRY	6.311,895	10/7/1999	11/6/2001
PSC Inc.	Rudeen	None	POLARIZATION DEPENDANT MULTI-FOCUS OPTICAL SYSTEM [DI-1000]	6,426,838	11/4/1998	7/30/2002
PSC Inc.	MCMASTER	None	BARCODE READING DEVICE WITH PHOTODETECTOR ASSEMBLY INCLUDING A LENTICULAR ARRAY	6,520,415	2/10/2000	2/18/2003
PSC Inc.	WHITAKER	None	BAR CODE SCANNER	D330707	5/23/1991	11/3/1992
PSC Inc.	LAMANNA WHITE HONE	None	BAR CODE SCANNER	D330708	5/24/1991	11/3/1992
PSC Inc.	KARLIN		HAND HELD BAR CODE SCANNER	D349109	10/2/1992	7/26/1994
PSC Inc.	KARLIN MCGUIRE	None	BAR CODE SCANNER	D350735	10/2/1992	9/20/1994
PSC Inc.	KARLIN	None	OPTICAL SCANNER	D352936	10/7/1993	11/29/1994
PSC Inc.	KARLIN	None	OPTICAL SCANNER	D352937	10/7/1993	11/29/1994
PSC Inc.	KARLIN	None	OPTICAL SCANNER	D352938	10/7/1993	11/29/1994
PSC Inc.	KARLIN	None	OPTICAL SCANNER	D352939	10/7/1993	11/29/1994
PSC Inc.	LAMANNA HONE	None	HAND-HELD OPTICAL SCANNER	D358588	5/4/1993	5/23/1995
7 C T C	LAMANNA HONE	None	HAND-HELD OPTICAL SCANNER	D361565	5/10/1993	8/22/1995
TSC IIIC	LAMANNA BENTLEY	None	HAND-MOUNTED OPTICAL SCANNER	D372234	5/4/1993	7/30/1996
PSC Inc.	KARLIN	None	HAND-HELD SCANNER FOR READING OPTICAL INDICIA	D374869	10/30/1995	10/22/1996
PSC Inc.	KARLIN	None	OPTICAL SCANNER	D375493	9/18/1995	11/12/1996
PSC Inc.	FERLAND GILLETTE	None	COMBINED PORTABLE DATA PROCESSING DEVICE HANDLE AND BUILT-IN LASER BAR	D376357	3/29/1995	12/10/1996
PSC Inc	N C C C C C C C C C C C C C C C C C C C	COCIN	CODE READER			
D. D	KADIN	DION	OPTICAL SCANNER	D37/345	7/3/1995	1/14/1997
DO 100	KADIN	PION I	OPTICAL SCANNER	D377346	7/3/1995	1/14/1997
200	KADIN	None	OPTICAL SCANNER	D377347	7/3/1995	1/14/1997
PSC Inc	BAYER FEDIAND	a contract of the contract of	DAR CORT COASSISTE	D377348	7/3/1995	1/14/1997
) =))	KLOCK MARUSKA THORNTON	D 5	BAN CODE SCANNER	D388075	10/23/1995	12/23/1997
PSC Inc.	RANDO NOVAK	RANDO NOVAK	SCANNER WITH COUPON VALIDATION	Re35,117	5/19/1994	12/12/1995

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issue Date	4/9/2002
File Date	Re37,635 8/17/1998
Patent # / PTO	Re37,635
Title	SYSTEM FOR ENABLING DECODING OF BAR CODE AND OTHER SYMBOLS WITH A DIGITAL MICROCOMPUTER CONNECTED VIA THE INPUT/OUTPUT PORT THEREOF TO THE SCANNER
Inventors Who Have Not Assigned	None
Inventor	PSC Inc. CLARK ANSARI None
Listed	PSC Inc.

EXHIBIT C

LICENSE AGREEMENTS

See attached

LICENSES

- 1. Software Driver License Agreement between PSC Inc. and Cisco, effective September 21, 1992.
- 2. Remarketing and Distribution License Agreement between Datamax Software Group, Inc. and PSC Inc., effective April 1, 2002.
- 3. Patent License between Intermec IP Corp. and PSC Inc., dated April 22, 1999.
- 4. Technology License Agreement between Khyber Technologies Corporation and PSC Inc., dated August 1, 2001.

EXHIBIT D

COPYRIGHTS

See attached

RECORDED: 12/29/2003