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MARK OFFICE
MAY 29 1998
SMOOTH MOVE

In Re U.S. Trademark Registration No. 2,152,935 Issued: April 21, 1998
(USSN 75/100,947, filed May 7, 1996)

In Re U.S. Trademark Serial No. 73/300,702, filed May 30, 1997

In Re U.S. Trademark Serial No. 75/234,149, filed January 31, 1997

INFINITE PICTURES

REAL WORLD NAVIGATION

Box Assignments
Commissioner of Patents and Trademarks
Washington, D.C. 20231

I HEREBY CERTIFY THAT
CORRESPONDENCE IS BEING RECEIVED
BY THE UNITED STATES POSTAL SERVICE
AT THE FOLLOWING ADDRESS IN AN ENVELOPE
POSTED TO:

X COMMISSIONER OF PATENTS AND TRADEMARKS
WASHINGTON D.C. 20231

ASSISTANT COMMISSIONER FOR
PATENTS AND TRADEMARKS
WASHINGTON D.C. 20231

ASSISTANT COMMISSIONER FOR
PATENTS AND TRADEMARKS
CRYSTAL DRIVE
ALEXANDRIA, VA 22304

MAY 29 1998

Please record the attached original document or copy thereof and return the recorded instrument to the undersigned.

Entity: Professional Corporation - State: Oregon

- Name of party(ies) conveying an interest:
INFINITE PICTURES, INC., an Oregon corporation
33 N.W. First Avenue, Suite 1, Portland, Oregon 97209
- Name and address of party(ies) receiving an interest:
MARGER, JOHNSON, McCOLLOM & STOLOWITZ, P.C.
1030 S.W. Morrison Street, Portland, Oregon 97205

3. Description of the interest conveyed: Security Agreement with Assignment of Intellectual Property

4. Application number(s) or Trademark Reg. Nos.: Additional sheet attached? No
In Re U.S. Trademark Registration No. 2,152,935 Issued: April 21, 1998
(USSN 75/100,947, filed May 7, 1996)

SMOOTH MOVE

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In Re U.S. Trademark Serial No. 75/234,149, filed January 31, 1997

REAL WORLD NAVIGATION

5. Name and address of party to whom correspondence concerning document should be mailed:

MARGER, JOHNSON, McCOLLOM & STOLOWITZ, P.C.
1030 S.W. Morrison Street
Portland, Oregon 97205

Telephone: (503) 222-3613

6. Number of applications and trademarks involved: 3

7. Enclosed is our check for \$90

8. Any deficiency or overpayment should be charged or credited to deposit account number 13-1703.

9. Date of execution of attached document: December 5, 1997

10. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.
Dated: 27 May 1998
Respectfully submitted,

MARGER, JOHNSON,
McCOLLOM & STOLOWITZ, P.C.
1030 S.W. Morrison Street
Portland, Oregon 97205
Telephone: (503) 222-3613

MARGER, JOHNSON,
McCOLLOM & STOLOWITZ, P.C.
By Alexander C. Johnson, Jr.
Alexander C. Johnson, Jr.
Registration No. 29,396

Total number of pages comprising cover sheet and attached assignment: 8 TRADEMARK

REEL: 1741 FRAME: 0235

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**SECURITY AGREEMENT
WITH ASSIGNMENT OF INTELLECTUAL PROPERTY**

PARTIES

"Debtor": Infinite Pictures, Inc.
33 N.W. First Avenue
Portland, Oregon 97209

"Secured Party": Marger, Johnson, McCollom & Stolowitz, P.C.
1030 S.W. Morrison Street
Portland, Oregon 97205

Date: December 5, 1997

1. GRANT OF SECURITY INTEREST

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Debtor hereby grants, transfers, and assigns to Secured Party a lien upon and security interest in all the following property of Debtor, wherever located, whether now owned or existing or hereafter acquired or created (hereinafter called "Collateral"):

1.1 US. Patent No. 5,694,531, Application Serial No. 08/552,299; filed November 2, 1995, for METHOD AND APPARATUS FOR SIMULATING MOVEMENT IN MULTIDIMENSIONAL SPACE WITH POLYGONAL PROJECTIONS;

1.2 U.S. Patent Application Serial No. _____, filed December 1, 1997, continuation-in-part application titled METHOD AND APPARATUS FOR SIMULATING MOVEMENT IN MULTIDIMENSIONAL SPACE WITH POLYGONAL PROJECTIONS FROM SUBHEMISPHERICAL IMAGERY;

1.3 Trademark rights in and to the marks SMOOTHMOVE, INFINITE PICTURES IPI, and REAL WORLD NAVIGATION;

1.4 Copyrights, inventions, and trade secrets in and to all computer software and accompanying literature including, but not limited to, the Real Word Navigation Suite and the Smoothmove Suite and software under development;

1.5 All tangible records and documents relating to any of the foregoing;

1.6 All proceeds from any and all of the foregoing.

2. OBLIGATIONS SECURED

The security interest granted herein secures payment of:

2.1 The Debtor's debt to the Secured Party as evidenced by the Promissory Note payable to the Secured Party in the amount of \$118,258.89 plus subsequent attorney's fees, costs, and disbursements incurred by Secured Party on behalf of Debtor, of approximately even date herewith, and all renewals, modifications, and extensions thereof (the "Note"); and

2.2 Performance of Debtor's obligations herein and of all other liabilities, direct or indirect, absolute or contingent, now existing or hereafter arising from the Debtor to the Secured Party.

3. DEBTOR'S REPRESENTATIONS, WARRANTIES, AND COVENANTS


Debtor represents, warrants, and covenants to Secured Party as follows:

3.1 Payment and Performance. Debtor agrees to perform all of its obligations under this Security Agreement and under all agreements and instruments of indebtedness secured hereby.

3.2 Lien Priority. The Collateral is owned by Debtor and is free and clear of all liens, encumbrances, and claims of anyone else whatsoever except the lien created by this Security Agreement. Debtor further agrees not to grant any other security interest in the Collateral or to permit any involuntary lien or encumbrance to attach to the Collateral.

3.3 UCC Financing Statements. Debtor agrees to execute and deliver to Secured Party such financing statements, continuation statements, amendments, termination statements, applications for registration, and like documents as Secured Party may request. Debtor hereby irrevocably appoints Secured Party, as Debtor's attorney in fact, to do all acts and things which Secured Party may, at its option, deem necessary to perfect its security interest in the Collateral, including recording this Grant of Security Interest in the U.S. Patent and Trademark Office and Copyright Office.

3.4 Preservation of Collateral. Debtor shall not dispose of any Collateral without Secured Party's prior permission. Debtor will preserve the Collateral, make all necessary filings to obtain all available renewals of the Collateral, and protect the



Collateral from all instances of patent, trademark, copyright, or other infringement, including through the filing and prosecution of legal action against any such infringement. In no event shall Debtor use or otherwise involve any of the Collateral in any patent, trademark, copyright, or other infringement or any other violation of law.

3.5 Maintenance of Status. Debtor will, at all times, maintain its corporate existence, remain or become a corporation in good standing in each jurisdiction in which it is required to be qualified, and maintain all intellectual property registrations, franchises, and licenses necessary in its business to comply with all valid and applicable statutes, rules, and regulations.

3.6 Taxes and Other Liens. Debtor agrees to pay when due all taxes and assessments, governmental charges, claims for labor, supplies, rent, and other obligations which, if unpaid, might become a lien against any assets of the Debtor.

3.7 Further Assurances. Debtor will promptly cure any defects in the execution and delivery of this Security Agreement, the Note, and any other instruments and documents referred to, mentioned, or executed in connection herewith or therewith.

3.8 Performance of Obligations. The Debtor will do, pay, and perform every action and discharge all of the obligations provided to be performed and discharged under the Security Agreement, Note, and any and all instruments and documents referred to, mentioned, or in or in connection herewith and therewith at the time or times and in the manner therein or herein specified.

3.9 Change in Name. Debtor will not change its name or start doing business under an assumed business name or change any assumed business name without the prior written consent of Secured Party.

3.10 Compliance With Laws. Debtor will, at all times, comply with all laws, rules, regulations, orders, and directions of any governmental authority having jurisdiction over it or any aspect of its business.

4. DISCLAIMER

Secured Party does not assume and shall not be subject to any obligation or liability to any third parties in connection with any of the Collateral.

5. PAYMENTS BY SECURED PARTY

In the event Debtor fails to make any payment or perform any act required hereunder, Secured Party may but shall not be obligated to do so. Any such sums



paid or advanced by Secured Party including, without limitation, renewal fees, taxes, attorney's fees whether awarded by a court or incurred otherwise, and costs of preserving the Collateral, shall become a part of the indebtedness secured hereby, which Debtor promises to pay on demand together with interest on any such advance from the date of expenditure until repaid at a rate equal to that provided in the Note secured hereby. At Secured Party's option, such sums may be added to the balance of the Note.

6. WAIVERS; NO DUTY

Debtor hereby waives demand, notice, protest, notice of acceptance of this Security Agreement, notice of credit extended, and notice of any other action taken in reliance hereon and all other demands and notices of any description. This Security Agreement shall not be qualified or supplemented by course of dealing. No waiver or modification by Secured Party of any of the terms or conditions of this Security Agreement shall be effective unless in writing and signed by Secured Party. No waiver or indulgence by Secured Party as to any required performance or other obligation of Debtor shall be construed as a waiver of any right on any future occasions. With respect to the indebtedness secured hereby and the Collateral, Debtor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange, or release of Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payments, and to the settlement, compromising, and adjusting of any thereof, all in such manner and at such time or times as Secured Party may, in its sole discretion, deem advisable. Secured Party shall have no duty as to the collection or protection of Collateral or any income thereon, nor as to the preservation of any rights against prior parties. Secured Party shall have no obligation to marshal Collateral or to proceed in reverse order of alienation.


7. EVENTS OF DEFAULT

Each and all of the following shall be events of default under this Security Agreement without notice:

7.1 Default in the payment, when due or payable, of any indebtedness of Debtor to Secured Party, including but not limited to the Note;

7.2 The failure of Debtor to perform when or before due any other obligation of Debtor to Secured Party whether under this Security Agreement or under any other document;

7.3 Any representation or warranty made by the Debtor herein or in connection with the Note or in connection with any other document between Debtor



and Secured Party which proves to have been untrue in any respect, or any representation, statement (including financial statements), certificate, or data furnished or made by the Debtor (or any officer, accountant, or attorney of the Debtor) which proves to have been untrue in any respect, as of the date of which the facts therein set forth were stated or certified.

7.4 Secured Party shall, in its sole discretion, deem that reasonable grounds exist for insecurity with respect to performance by the Debtor with respect to this Security Agreement, the Note, or any documents or instruments executed in connection therewith, and thereafter Debtor fails to provide (within five (5) calendar days after Secured Party gives written notice to Debtor that, in Secured Party's discretion, reasonable grounds for such insecurity exists) adequate assurance satisfactory to Secured Party of due performance.


7.5 Debtor shall: (i) discontinue business for more than five (5) consecutive days, (ii) make a general assignment for the benefit of creditors, (iii) apply for or consent to the appointment of a receiver, trustee, or liquidator of itself or of all or a substantial part of its assets, (iv) be adjudicated bankrupt or insolvent, (v) file a voluntary petition in bankruptcy or file a petition or answer seeking reorganization or an arrangement with creditors or seek to take advantage of any other law, whether federal or state, relating to relief of debtors, or admit (by answer, by default, or otherwise) the material allegations of a petition filed against it in any bankruptcy, reorganization, arrangement, insolvency, or other proceeding (whether federal or state) relating to relief of debtors, (vi) permit or suffer to be suffered any judgment, decree, or order entered by a court of competent jurisdiction which approves a petition seeking reorganization of the Debtor or which appoints a receiver, trustee, or liquidator of the Debtor or of all or a substantial part of any of the assets of Debtor, or (vii) take or omit to take any action for the purpose or result of effecting or permitting any of the foregoing.

8. CROSS DEFAULT

Default hereunder shall, at Secured Party's option, shall also constitute default under all other agreements between Secured Party and Debtor, and default under any other agreements shall constitute a default hereunder.

9. REMEDIES UPON DEFAULT

Upon the occurrence of any of the above events of default, Secured Party shall have, in addition to all of the rights and remedies of a secured party at law and in equity and under this Security Agreement and under any other agreements between Debtor and Secured Party, the remedies of a secured party under the Uniform Commercial Code of Oregon. Regardless of where any Collateral or the records and



documents associated thereto are located, Secured Party may require Debtor to assemble all Collateral and Debtor's books and records and documents in one or more locations and make such Collateral and the books and records available to Secured Party. Upon default, Secured Party shall have the right to declare immediately due and payable any and all indebtedness owed by Debtor to Secured Party. All the rights, privileges, powers, and remedies of Secured Party shall be cumulative. Debtor also hereby authorizes Secured Party to grant extensions, and compromise and settle claims with respect to the Collateral, for less than face value, all without prior notice to Debtor. Debtor agrees to pay Secured Party's expenses of retaking, holding, preparing for sale, selling, and the like, all upon demand. Debtor shall remain liable for any deficiency.

10. ATTORNEY'S FEES; COSTS

In the event Secured Party retains the services of an attorney (including in-house legal services) to enforce any provision of the Note, this Security Agreement, or any other obligation of Debtor to Secured Party, Debtor agrees to pay reasonable attorney's fees and other costs, expenses, and disbursements (including allocated costs for in-house legal services) incurred by Secured Party even if no suit, action, arbitration, or other proceeding is brought. If such a suit, action, arbitration, or other proceeding is brought, Debtor shall also pay to Secured Party the reasonable attorney's fees and other costs, expenses, and disbursements (including the allocated costs for in-house legal services) incurred in connection with such suit, action, or arbitration or other proceeding in the trial, appellate, and bankruptcy courts, including without limitation any action to lift or modify the automatic stay, determine adequate protection, use cash collateral, or relating in any way to any Disclosure Statement or Plan of Reorganization. Debtor also agrees to pay to Secured Party any and all costs and expenses, including reasonable attorney's fees, incurred by Secured Party in protecting or enforcing Secured Party's rights in the Collateral, whether or not a lawsuit is commenced. Interest shall accrue on all such attorney's fees and other costs, expenses, and disbursements at the maximum nonusurious rate permitted by applicable law with respect to the Debtor.

11. NOTICE

Each demand, notice, or other communication required hereunder or under applicable law shall be given by certified mail addressed to the party at its address set forth on the first page hereof or as changed by written notice to the other party, by facsimile showing receipt by the party, or by personal service upon the party or proper officer. Reasonable notice, when notice is required, shall be deemed to be five days. Notice shall be deemed given three days after mailing, or upon actual receipt, whichever is earlier.

12. GOVERNING LAW

All the terms herein and the rights, duties and remedies of the parties shall be governed by the law of the State of Oregon.

13. SUCCESSORS AND ASSIGNS

All covenants and agreements herein contained by or on behalf of the Debtor shall bind its successors and assigns and shall inure to the benefit of the Secured Party and its successors and assigns. Debtor may not assign this Security Agreement or other instruments or documents executed in connection herewith or any of the rights of Debtor hereunder without the prior written consent of Secured Party. Secured Party's rights under this Security Agreement and the obligations secured hereby and under any of the documents executed in connection therewith may be assigned by Secured Party from time to time. In any such case, the assignee shall be entitled to all the rights, privileges, and remedies granted to Secured Party in this Security Agreement and in such other documents.

14. SEVERABILITY

In the event any one or more of the provisions contained in this Security Agreement shall for any reason be held to be invalid, illegal, or unenforceable, such provision or provisions shall not affect any other provision of the Security Agreement, and in lieu of such invalid, illegal, or unenforceable provision there shall be automatically added a provision as similar in terms to such invalid, illegal, or unenforceable provision as may be possible and as may be valid, legal, and enforceable.

15. TIME IS OF THE ESSENCE

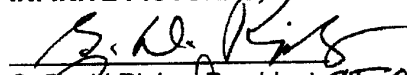
Debtor agrees that time shall be of the essence in performing any act under this Security Agreement and under any instrument or document executed in connection herewith.

IN WITNESS WHEREOF Debtor has caused this Security Agreement to be executed by a duly authorized person as of the date hereinabove written.

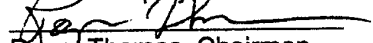
Debtor:

INFINITE PICTURES, INC.

Date: 12/5/97


G. David Ripley, President CFO 2012

Date: 12/5/97


Roger Thomas, Chairman