

10-07-1998



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RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
 - Security Agreement Nunc Pro Tunc Assignment
 - Merger Change of Name
 - Other
- Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKATA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

- Individual General Partnership Limited Partnership Association
- Corporation
- Other
- Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

10/05/1998 JSNADAZZ 00000151 75471427

FOR OFFICE USE ONLY

01 FC:481 40.00 DP
02 FC:482 175.00 DP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

REEL: 1795 FRAME: 0698

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

Number of Properties

Enter the total number of properties involved. #

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)
Deposit Account Number: #

Authorization to charge additional fees: Yes No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Michael Barocas, Esq.
Name of Person Signing

Michael Barocas
Signature

9/29/99
Date Signed

BORROWER INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT, made and entered into as of this 22nd day of October, 1997 (this "Agreement"), by and among General DataComm Industries, Inc., General Datacomm, Inc., GDC Federal Systems, Inc., GDC Naugatuck, Inc. and Vital Network Services, Inc. (collectively, the "Borrowers") with and in favor of Transamerica Business Credit Corporation, as agent for the Lenders referred to below (in such capacity, the "Agent").

W I T N E S S E T H :

WHEREAS, the Borrowers are entering into a certain Loan and Security Agreement dated as of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"; capitalized terms which are used herein and not otherwise defined shall have the meanings given to them in the Loan Agreement) with the financial institutions from time to time parties thereto (the "Lenders"), the Agent and The CIT Group/Business Credit, Inc., as co-agent, pursuant to which the Lenders shall make loans and advances to the Borrowers, subject to the terms and conditions set forth in the Loan Agreement; and

WHEREAS, it is a condition precedent to the effectiveness of the Loan Agreement that each Borrower shall have executed and delivered this Agreement and granted a security interest in all of its right, title and interest in and to all of its Intellectual Property Collateral (as hereinafter defined) in favor of the Agent, for the ratable benefit of the Lenders, as contemplated hereby.

NOW, THEREFORE, in consideration of the premises hereof and to induce the Agent and the Lenders to enter into the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

SECTION 1. Security for Obligations.

Section 1.1. Security Interest in Patents. To secure the full and prompt payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, each Borrower hereby grants and conveys to the Agent, for the ratable benefit of the Lenders, a valid security interest in all of its right, title and interest in the United States and throughout the world, in, to and under all of the now

owned and hereafter acquired United States and foreign patents and all patent and design patent applications, and all issues, reissues, re-examinations, continuations, continuations-in-part or divisions thereof, and all proceeds thereof (hereinafter collectively referred to as the "Patents"). All unexpired patents and all currently pending patent applications in which each Borrower has an interest are listed on Schedule A attached hereto and made a part hereof under the name of such Borrower. Each Borrower hereby further grants, assigns and conveys to the Agent, for the ratable benefit of the Lenders, a valid security interest, having priority over all other security interests in all of the right, title and interest of the Borrowers in and to all proceeds, income, royalties, damages and payments now or hereafter due and payable under or in respect of all Patents and in and to all rights during the term of this Agreement to sue, collect and retain damages and payments for past or future infringements of the Patents.

Section 1.2. Security Interest in Trademarks. To secure the full and prompt payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, each Borrower hereby grants and conveys to the Agent, for the ratable benefit of the Lenders, a valid security interest in all of its right, title and interest, in the United States and throughout the world, in, to and under all of its now owned and hereafter acquired trademarks, service marks and trade names, and all similar designations of source or origin (whether or not such name is the subject of a registration or an application therefor), and all registrations and applications to register the same, and all renewals thereof, and the goodwill of the business relating thereto, and all proceeds thereof (hereinafter collectively referred to as the "Trademarks"). All trademark registrations and all currently pending trademark applications in which each Borrower has an interest and all foreign trademark registrations and all currently pending trademark applications in which each Borrower has an interest, are listed on Schedule B attached hereto and made a part hereof under the name of such Borrower. Each Borrower hereby further grants to the Agent, for the ratable benefit of the Lenders, a valid security interest in all of its right, title and interest in and to (a) all proceeds, income, royalties, damages and payments now and hereafter due and payable under or in respect of all Trademarks, (b) all rights during the term of this Agreement to sue, collect and retain for the Agent's and the Lenders' benefit damages and payments for past or future infringements of the Trademarks and (c) all rights under or interest in any trademark license agreements or service mark license agreements with any other party, whether such Borrower is a licensee or licensor under any such license agreement, except such license agreements for which consent is required from a third party to grant such security interest and which has not been obtained,

copies of which license agreements will be furnished by the Borrowers to the Agent upon the Agent's request.

Section 1.3. Security Interest in Copyrights. To secure the full and prompt payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, each Borrower hereby grants to the Agent, for the ratable benefit of the Lenders, a valid security interest in all of its right, title and interest, in the United States and throughout the world, in, to and under all of its now owned and hereafter acquired copyrights, and all registrations and applications to register the same, all renewals thereof, any written agreement, naming such Borrower as licensor or licensee, granting any right under any copyright (except such agreements for which consent is required from a third party to grant such security interest and which has not been obtained, copies of which license agreements have been previously furnished to the Agent) any work which is or may be subject to copyright protection pursuant to Title 17 of the U.S. Code, and all physical things embodying such works (including, without limitation, copies thereof) created or otherwise used in the business of such Borrower, and all proceeds thereof (hereinafter collectively referred to as the "Copyrights"). All copyright registrations and all currently pending copyright applications in which each Borrower has an interest are listed on Schedule C attached hereto and made a part hereof under the name of such Borrower. Each Borrower hereby further grants to the Agent, for the ratable benefit of the Lenders, a valid security interest in all of its right, title and interest in and to all proceeds, income, royalties, damages and payments now and hereafter due and payable under or in respect of all Copyrights and in and to all rights during the term of this Agreement to sue, collect and retain for the Agent's benefit damages and payments for past or future infringements of the Copyrights.

Section 1.4. Security Interest in Proprietary Information. To secure the full and prompt payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, each Borrower hereby grants to the Agent, for the ratable benefit of the Lenders, a valid security interest in all of its right, title and interest, in the United States and throughout the world, in, to and under all of its now owned and hereafter acquired inventions, discoveries, trade secrets, improvements, processes, methods, formulae, applications, ideas, know-how, customer lists, corporate and other business records, license rights (except for such license rights that arise under licenses or other agreements for which consent is required from a third party to grant such security interest and which has not been obtained, copies of which will be furnished by the Borrowers to the Agent upon the Agent's reasonable request) advertising materials, operating manuals, sales literature, drawings, specifications,

descriptions, name plates, catalogues, dealer contracts, supplier contracts, distributor agreements, confidential information, consulting agreements, engineering contracts, proprietary information, and goodwill (and all other assets which uniquely reflect such goodwill), and to all income, royalties, damages and payments now and hereafter due and/or payable therefor or in respect thereof and all proceeds thereof (collectively, the "Proprietary Information" and, together with the Patents, the Trademarks and the Copyrights, the "Intellectual Property Collateral").

SECTION 2. Representations, Warranties and Covenants of the Borrowers.

(a) Each Borrower is and will continue to be the owner of all of its Intellectual Property Collateral, free from any adverse claim, security interest, lien or encumbrance in favor of any Person except for the security interest granted to the Agent, for the ratable benefit of the Lenders, except as set forth on Schedule D attached hereto and made a part hereof, except for Liens, licenses and other dispositions permitted by the Loan Agreement and except as otherwise expressly permitted pursuant to this Section 2.

(b) None of the Intellectual Property Collateral is or shall become subject to any lien, security interest or other encumbrance in favor of any Person other than the Agent, except as set forth on Schedule D attached hereto and made a part hereof and except for any Liens, licenses and other dispositions permitted by the Loan Agreement, and each Borrower agrees not to license, transfer, convey or encumber any interest in or to its Intellectual Property Collateral except as permitted by the Loan Agreement. Notwithstanding the foregoing, each Borrower shall be permitted to license any of its Trademarks in the ordinary course of business to (i) third parties for the sole purpose of manufacturing, marketing, advertising, distributing or selling goods or (ii) third parties that do not manufacture, market, advertise, distribute, or sell goods in the United States or to others for sale in the United States. Any license of the Intellectual Property Collateral granted after the Closing Date by any Borrower (each, a "License") shall be in writing and shall not prohibit such Borrower from assigning, transferring, selling, sublicensing or otherwise disposing of all or any of its right, title and interest thereunder to the Agent or its designees in accordance with Section 4 hereof.

(c) Except for Liens, licenses and other dispositions permitted by the Loan Agreement and except as disclosed in Schedule D hereto, no Borrower has made any previous assignment, transfer or agreement in conflict herewith or constituting a present or future assignment, transfer, or encumbrance of any of its Intellectual Property Collateral.

(d) Except as disclosed in Schedule D hereto, there is no financing statement or other document or instrument now signed or on file in any public office granting a security interest in or otherwise encumbering any part of the Intellectual Property Collateral, except those showing the Agent as secured party, except for Liens, licenses and other dispositions permitted by the Loan Agreement. So long as any Obligations remain outstanding, the Borrowers will not execute, and there will not be on file in any public office, any such financing statement or other document or instruments, except financing statements filed or to be filed in favor of the Agent and except for the grant of any license.

(e) Subject to any limitation stated therein or in connection therewith, all information furnished to the Agent and the Lenders concerning the Intellectual Property Collateral and proceeds thereof is and will be accurate and correct in all material respects.

(f) Except as disclosed in Schedule D hereto, all Intellectual Property Collateral consisting of applications for Patents and for registrations of Trademarks and Copyrights has been duly and properly filed and all Intellectual Property Collateral consisting of issued or granted Patents and of registrations of Trademarks and Copyrights (including, without limitation, any and all renewals, reissues, continuations or divisions thereof, as the case may be) has been duly and properly maintained except where the abandonment or dedication to the public of any of such Patents, Trademarks, or Copyrights is deemed to be in the best interests of such Borrower in the exercise of its reasonable business judgment.

(g) Promptly upon the receipt by any Borrower of an official filing receipt indicating that a patent application or an application for registration of a trademark has been received from any Borrower by the U.S. Patent and Trademark Office (the "PTO") or an application for registration of a copyright has been received from any Borrower by the U.S. Copyright Office and upon the issuance of any patent or of any trademark or copyright registration, such Borrower shall take all actions and execute and deliver to the Agent all documents necessary or appropriate to perfect a first priority security interest in such patent, trademark or copyright application or such patent or trademark or copyright registration, and each Borrower shall annually, or more frequently as the Agent shall reasonably request, cause instruments sufficient to perfect, protect or establish the first priority lien or security interest granted hereunder to be recorded in the PTO with respect to all United States patent applications filed by it or patents issued to it during the prior calendar year or preceding period, as the case may be, and with respect to all trademark applications filed by it or trademark registrations issued to it during the prior

calendar year, and each Borrower shall quarterly, or more frequently as the Agent shall request, cause instruments sufficient to perfect, protect or establish the first priority lien or security interest granted hereunder to be recorded in the U.S. Copyright Office with respect to United States copyright applications filed by it or copyright registrations issued to it during the prior calendar year or preceding period, as the case may be.

(h) Except for dispositions of the Intellectual Property Collateral permitted by the Loan Agreement, no Borrower shall take any action, or permit any action to be taken by others subject to such Borrower's control, including any such licensees, or fail to take any action, or permit others subject to such Borrower's control, including any such licensees, to fail to take any action, subject to the provisions of Section 2(g), which would, in the case of any such actions or failures to act taken singly or together, adversely affect the validity, grant and enforceability of the security interest granted to the Agent herein; provided, however, that, so long as no Event of Default shall have occurred and be continuing, a Borrower may license all or part of the Intellectual Property Collateral in any lawful manner that is in the ordinary course of business, is deemed to be in the best interest of such Borrower in the exercise of its reasonable business judgment, and is otherwise not explicitly prohibited by this Agreement. Notwithstanding the foregoing, the Borrowers shall be permitted to abandon or dedicate to the public any of the Trademarks, Patents, Copyrights or other Intellectual Property Collateral in accordance with the terms of Section 2(l).

(i) Each Borrower shall promptly notify the Agent, in writing, of any suit, action, proceeding, claim or counterclaim brought against such Borrower that would reasonably be expected to adversely affect the Intellectual Property Collateral, and shall, on request, deliver to the Agent a copy of all pleadings, papers, orders or decrees theretofore and thereafter filed in any such suit, action or proceeding, and shall keep the Agent duly advised in writing of the progress of any such suit.

(j) In the event of any material infringement of the Intellectual Property Collateral by others or in the event of any other conduct materially detrimental to the Intellectual Property Collateral by others known or brought to the attention of any Borrower, such Borrower shall as promptly as practicable notify the Agent in writing at the address set forth in the Loan Agreement of such infringement or other conduct and the full nature and extent of such infringement or other conduct known to such Borrower.

(k) If requested by the Agent, each Borrower shall provide the Agent a complete report with respect to its

Intellectual Property Collateral and all licenses granted thereof granted by such Borrower. Upon request by the Agent, each Borrower shall deliver to counsel for the Agent copies of any such Intellectual Property Collateral and other documents concerned with or related to the prosecution, protection, maintenance, enforcement and issuance of the Intellectual Property Collateral.

(l) Except where the abandonment or dedication to the public of any of the Intellectual Property Collateral is deemed to be in the best interest of a Borrower in the exercise of its reasonable business judgment, such Borrower shall use reasonable best efforts to notify the Agent in writing at the address set forth in the Loan Agreement at least 30 days prior to any proposed voluntary abandonment of any of its Intellectual Property Collateral and obtain the prior written consent of the Agent, on behalf of the Majority Lenders or all of the Lenders, as the case may be.

(m) During the term of this Agreement, each Borrower agrees:

(i) whenever any of the registered Trademarks are used by or on behalf of such Borrower, to, if reasonably practicable and to the extent consistent with past practice, affix or cause to be affixed a notice that the mark is a registered trademark or service mark, which notice shall be in a form accepted or required by the trademark marking laws of each country in which the mark is so used and registered; and

(ii) whenever any of the underlying works covered by registered Copyrights are used by or on behalf of such Borrower to (only to the extent required under the laws of the relevant countries, jurisdictions, territories, or international accords) affix or cause to be affixed a notice that said underlying works are so covered, which notice shall be in a form accepted or required by the copyright laws of such country in which said underlying works are so used and registered.

(n) Subject to the provisions of Section 4(g), all income, royalties, payments and damages due and payable to each Borrower under or in respect of the Intellectual Property Collateral shall be paid to such Borrower.

(o) Each Borrower agrees, upon the reasonable request by the Agent, during the term of this Agreement:

(i) to execute, acknowledge and deliver all additional instruments and documents necessary or appropriate to effect the purposes and intents of this Agreement, in a form reasonably acceptable to counsel for the Agent; and

(ii) to do all such other acts as may be necessary or appropriate as determined by the Agent in good faith in order to carry out the purposes and intents of this Agreement, and to create, evidence, perfect (except to the extent not perfectible by using commercially reasonable efforts pursuant to the laws of the relevant country, jurisdiction or territory) and continue the security interests of the Agent, for the ratable benefit of the Lenders, in its Intellectual Property Collateral.

(p) The Borrowers represent and warrant to the Agent that:

(i) the security interests granted to the Agent hereunder in United States patents and patent applications (the "U.S. Patents") and in the United States trademark registrations and applications (the "U.S. Trademarks"), upon the filing of appropriate filings with the PTO and appropriate Uniform Commercial Code ("UCC") financing statements, shall constitute a first priority, perfected security interest in the U.S. Patents and U.S. Trademarks; provided, however, that recordation, filing or registration of such security interest may be required to perfect such security interest in U.S. Patents and U.S. Trademarks acquired by the Borrowers after the date hereof;

(ii) the security interests granted to the Agent hereunder in the registered Copyrights and Copyright applications (the "U.S. Copyrights"), upon the filing of appropriate filings with the United States Copyright Office and appropriate UCC financing statements, shall constitute a first priority, perfected security interest in the U.S. Copyrights; provided, however, that recordation, filing or registration of such security interest may be required to perfect such security interest in U.S. Copyrights acquired by the Borrowers after the date hereof; and

(iii) the security interests granted to the Agent hereunder in the Proprietary Information located in the United States, upon the filing of any appropriate filings with the PTO or United States Copyright Office and appropriate UCC financing statements, shall constitute a first priority, perfected security

interest in such Proprietary Information, to the extent that a first security interest can be created through such filings; provided, however, that recordation, filing or registration of such security interests may be required to perfect such security interest in the Proprietary Information acquired by the Borrowers after the date hereof.

SECTION 3. Indemnity. Each Borrower jointly and severally agrees to indemnify the Agent and each Lender from and against any and all claims, losses and liabilities arising out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement and any actions taken pursuant to Section 4 or any failure to act thereunder), except for claims, losses or liabilities resulting from the gross negligence or willful misconduct of the Agent or any Lender.

SECTION 4. Rights and Remedies Upon an Event of Default.

(a) If any Event of Default shall have occurred and be continuing, then and in every such case, subject to any mandatory requirements of applicable law then in effect, the Agent, in addition to other right and remedies provided for herein and any rights now or hereafter existing under applicable law, shall have all rights and remedies as a secured creditor under the Uniform Commercial Code in all relevant jurisdictions and may:

(i) personally, or by agents or attorneys, immediately take possession of the Intellectual Property Collateral or any part thereof, from the Borrowers or any other Person who then has possession of any part thereof, with or without notice or process of law, and for that purpose may enter upon the Borrowers' premises where any of the Intellectual Property Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of the Borrowers;

(ii) sell, assign or otherwise liquidate, or direct any Borrower to sell, assign or otherwise liquidate, any or all of the Intellectual Property Collateral or any part thereof, and take possession of the proceeds of any such sale or liquidation;

(b) Any collateral repossessed by the Agent under or pursuant to Section 4(a) and any other Intellectual Property Collateral whether or not so repossessed by the Agent, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in

general in such manner, at such time or times, at such place or places and on such terms as the Agent may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Notwithstanding the foregoing, the Agent shall use its reasonable efforts not to make any such disposition or take any other action that would result in harm to or destruction of any of the Intellectual Property Collateral, including without limitation any naked assignment or license of any Trademark, and shall not disclose any of the Borrowers' trade secrets and other Proprietary Information except if the Person to whom such disclosure is made has entered into an agreement to protect the confidential nature thereof other than if and to the extent that such Person has acquired any such disclosed trade secrets and Proprietary Information. Any such disposition which shall be a private sale or other private proceedings permitted by such requirements shall be made upon not less than 15 days' written notice to the applicable Borrower specifying the time at which such disposition is to be made and the intended sale price or other consideration therefor, and shall be subject, for the 15 days after the giving of such notice, to the right of such Borrower or any nominee of such Borrower to acquire the Intellectual Property Collateral involved at a price or for such other consideration at least equal to the intended sale price or other consideration so specified. Any such disposition which shall be a public sale permitted by such requirements shall be made upon not less than 15 days' written notice to the applicable Borrower specifying the time and place of such sale and, in the absence of applicable requirements of law, shall be by public auction (which may, at the option of the Agent, be subject to reserve), after publication of notice of such auction not less than 15 days prior thereto in two newspapers in general circulation in the jurisdiction in which such auction is to be held. To the extent permitted by any such requirement of law, the Agent may bid for and become the purchaser of the Intellectual Property Collateral or any item thereof, offered for sale in accordance with this Section without accountability to the Borrowers (except to the extent of surplus money received). If, under mandatory requirements of applicable law, the Agent shall be required to make disposition of the Intellectual Property Collateral within a period of time which does not permit the giving of notice to the applicable Borrower as hereinabove specified, the Agent need give such Borrower only such notice of disposition as shall be reasonably practicable in view of such mandatory requirements of applicable law. The Agent shall not be obligated to make any sale of Intellectual Property Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(c) Upon the occurrence and during the continuance of an Event of Default, the Agent shall have the right at any time to make any payments and do any other acts the Agent may deem necessary to protect its security interests in the Intellectual Property Collateral, including, without limitation, the rights to pay, purchase, contest or compromise any encumbrance, charge or Lien which, in the reasonable judgment of the Agent, appears to be prior to or superior to the security interests granted hereunder, and appear in and defend any action or proceeding purporting to affect its security interests in, and/or the value of, the Intellectual Property Collateral. The Borrowers hereby agree to, jointly and severally, reimburse the Agent for all reasonable payments made and expenses incurred under this Agreement including reasonable fees, expenses and disbursements of attorneys and paralegals acting for the Agent, including any of the foregoing payments under, or acts taken to protect its security interests in, the Intellectual Property Collateral, which amounts shall be secured under this Agreement, and agree they shall be bound by any payment made or act taken by the Agent hereunder absent the Agent's gross negligence or willful misconduct. The Agent shall have no obligation to make any of the foregoing payments or perform any of the foregoing acts.

(d) Each Borrower hereby irrevocably authorizes and appoints the Agent, or any Person or agent the Agent may designate, as such Borrower's attorney-in-fact, with full authority in the place and stead of such Borrower and in the name of such Borrower or otherwise, at such Borrower's cost and expense, in the Agent's discretion, to, upon the occurrence and during the continuance of an Event of Default, take any action and to execute any instrument that the Agent may deem necessary or advisable to accomplish the purposes and intents of this Agreement and to exercise all of the following powers, which powers, being coupled with an interest, shall be irrevocable until all of the Obligations shall have been paid and satisfied in full and all outstanding Letters of Credit have been terminated:

(i) ask for, demand, collect, bring suit, recover, compromise, administer, accelerate or extend the time of payment, issue credits, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Intellectual Property Collateral;

(ii) receive, take, endorse, negotiate, sign, assign and deliver and collect any checks, notes, drafts or other instruments, documents and chattel paper, in connection with clause (i) above;

(iii) receive, open and dispose of all mail addressed to any Borrower and notify postal authorities to change the address for delivery thereof to such address as the Agent may designate;

(iv) give customers indebted on the Intellectual Property Collateral of any Borrower notice of the Agent's interest therein, and/or to instruct such customers to make payment directly to the Agent for such Borrower's account and/or to request, at any time from customers indebted on the Intellectual Property Collateral, verification of information concerning the Intellectual Property Collateral and the amounts owing thereon;

(v) convey any item of Intellectual Property Collateral to any purchaser thereof;

(vi) record any instruments under Section 2(g) hereof;

(vii) make any payments or take any acts under Section 4(c) hereof; and

(viii) file any claims or take any action or institute any proceedings that the Agent may reasonably deem necessary or desirable for the collection of any of the Intellectual Property Collateral or otherwise to enforce the rights of the Agent with respect to any of the Intellectual Property Collateral.

The Agent's authority under this Section 4(d) shall include, without limitation, the authority to execute and give receipt for any certificate of ownership or any document, transfer title to any item of Intellectual Property Collateral of each Borrower, sign such Borrower's name on all financing statements or any other documents deemed necessary or appropriate to preserve, protect or perfect the security interest in the Intellectual Property Collateral and to file the same, prepare, file and sign such Borrower's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with any Intellectual Property Collateral of such Borrower and prepare, file and sign such Borrower's name on a proof of claim in bankruptcy or similar document against any customer of such Borrower, and to take any other actions arising from or incident to the rights, powers and remedies granted to the Agent in this Agreement. This power of attorney is coupled with an interest and is irrevocable by the Borrowers.

(e) All cash proceeds received by the Agent in respect of any sale of, collection from, or other realization upon all or any part of the Intellectual Property Collateral shall be applied by the Agent against the Obligations in such order as the Agent may determine.

(f) The Agent shall have the right of setoff as provided in Section 9.4 of the Loan Agreement.

(g) Upon the occurrence and during the continuance of an Event of Default, all income, royalties, payments and damages under or in respect of the Intellectual Property Collateral of each Borrower, if any, received thereafter shall be held by such Borrower in trust for the benefit of the Agent and the Lenders, separate from such Borrower's own Property or funds and immediately turned over to the Agent with proper assignments or endorsements. Upon the occurrence and during the continuance of an Event of Default, the Agent shall have the right to notify payors of income, royalties, payments and damages under or in respect of the Intellectual Property Collateral to make payment directly to the Agent.

(h) Each and every right, power and remedy hereby specifically given to the Agent shall be in addition to every other right, power and remedy specifically given under this Agreement or under the other Loan Documents or now or hereafter existing at law or in equity, or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Agent. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of exercise of one shall not be deemed a waiver of the right to exercise of any other or others. No delay or omission of the Agent in the exercise of any such right, power or remedy and no renewal or extension of any of the Obligations shall impair any such right, power or remedy or shall be construed to be a waiver of any Default or Event of Default or any acquiescence therein.

SECTION 5. Miscellaneous Provisions.

Section 5.1. GOVERNING LAW. THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER SOUNDING IN CONTRACT, TORT, EQUITY OR OTHERWISE, SHALL BE GOVERNED BY THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF.

SECTION 5.2. SUBMISSION TO JURISDICTION. ALL DISPUTES BETWEEN ANY BORROWER AND THE AGENT, WHETHER SOUNDING IN CONTRACT,

TORT, EQUITY OR OTHERWISE, SHALL BE RESOLVED ONLY BY STATE AND FEDERAL COURTS LOCATED IN CHICAGO, ILLINOIS, AND THE COURTS TO WHICH AN APPEAL THEREFROM MAY BE TAKEN; PROVIDED, HOWEVER, THAT THE AGENT SHALL HAVE THE RIGHT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TO PROCEED AGAINST ANY BORROWER OR ITS PROPERTY IN ANY LOCATION REASONABLY SELECTED BY THE AGENT IN GOOD FAITH TO ENABLE THE AGENT TO REALIZE ON SUCH PROPERTY, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF THE AGENT. EACH BORROWER AGREES THAT IT WILL NOT ASSERT ANY PERMISSIVE COUNTERCLAIMS, SETOFFS OR CROSS-CLAIMS IN ANY PROCEEDING BROUGHT BY THE AGENT. EACH BORROWER WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH THE AGENT HAS COMMENCED A PROCEEDING, AS PROVIDED ABOVE, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON FORUM NON CONVENIENS.

SECTION 5.3. SERVICE OF PROCESS. THE BORROWERS HEREBY IRREVOCABLY DESIGNATE WEISMAN CELLER SPETT & MODLIN, P.C., 445 PARK AVENUE, NEW YORK, NEW YORK 10022, ATTN: HOWARD S. MODLIN, ESQ. AS THE DESIGNEE AND AGENT OF EACH BORROWER TO RECEIVE, FOR AND ON BEHALF OF SUCH BORROWER, SERVICE OF PROCESS IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT. IT IS UNDERSTOOD THAT A COPY OF SUCH PROCESS SERVED ON SUCH AGENT AT ITS ADDRESS WILL BE PROMPTLY FORWARDED BY MAIL TO THE RESPECTIVE BORROWER, BUT THE FAILURE OF SUCH BORROWER TO RECEIVE SUCH COPY SHALL NOT AFFECT IN ANY WAY THE SERVICE OF SUCH PROCESS. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE AGENT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

SECTION 5.4. JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO A TRIAL BY JURY.

SECTION 5.5. LIMITATION OF LIABILITY. THE AGENT AND THE LENDERS SHALL HAVE NO LIABILITY TO THE BORROWERS (WHETHER SOUNDING IN TORT, CONTRACT, OR OTHERWISE) FOR LOSSES SUFFERED BY ANY BORROWER IN CONNECTION WITH, ARISING OUT OF, OR IN ANY WAY RELATED TO THE TRANSACTIONS OR RELATIONSHIPS CONTEMPLATED BY THIS AGREEMENT, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION THEREWITH, UNLESS IT IS DETERMINED BY A FINAL AND NONAPPEALABLE JUDGMENT OR COURT ORDER BINDING ON THE AGENT OR ANY LENDER THAT THE LOSSES WERE THE RESULT OF ACTS OR OMISSIONS CONSTITUTING GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE AGENT OR SUCH LENDER. EACH OF THE PARTIES HERETO HEREBY WAIVES ALL CLAIMS AGAINST ONE ANOTHER FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES.

Section 5.6. Delays; Partial Exercise of Remedies. No delay or omission of the Agent to exercise any right or remedy hereunder, whether before or after the happening of any Event of Default, shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Event of Default. No single

or partial exercise by the Agent of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

Section 5.7. Notices. All notices, approvals, consents or other communications required or desired to be given hereunder shall be in writing and sent by certified or registered mail, return receipt requested, or by overnight delivery service, with all charges prepaid, or by telecopier followed by a hard copy sent by regular mail, if to the Agent, or any of the Lenders, then to Transamerica Business Credit Corporation, 16133 Ventura Boulevard, Suite 700, Encino, California 91436, Attention: Mr. Ian Schnider, Senior Vice President, Telecopy: (818) 995-9148, with a copy to Luskin, Stern & Eisler LLP, 330 Madison Avenue, New York, New York 10017, Attention: Nathan M. Eisler, Esq., Telecopy: (212) 293-2705, if to any Borrower, then to c/o General DataComm Industries, Inc., 1579 Straits Turnpike, Middlebury, Connecticut 06762, Attention: Dennis J. Nesler, Vice President and Treasurer, Telecopy: (203) 598-7133, with a copy to Weisman Celler Spett & Modlin, P.C., 445 Park Avenue, New York, New York 10022, Attention: Howard S. Modlin, Esq., Telecopy: (212) 371-5407, or, as to any party, at such other address as shall be designated by such party in a written notice to each other party. All such notices and correspondence shall be deemed given (i) if sent by certified or registered mail, when received or when delivery is refused (ii) if sent by overnight delivery service, when received at the above stated addresses or when delivery is refused and (iii) if sent by facsimile transmission, when receipt of such transmission is acknowledged.

Section 5.8. Survival of Provisions. All representations, warranties and covenants of the Borrowers contained herein shall survive the execution and delivery of this Agreement, and shall terminate only upon the full and final payment and performance of the Obligations secured hereby, termination of all outstanding Letters of Credit and termination of the Loan Agreement and the other Loan Documents.

Section 5.9. Amendments, Waivers and Consents. Any amendment or waiver of any provision of this Agreement and any consent to any departure by any Borrower from any provision of this Agreement shall not be effective unless the same shall be in writing and signed by the Borrowers, the Agent (with the consent of the Lenders or the Required Lenders, as required by the Loan Agreement) and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 5.10. Counterparts; Telecopied Signatures. This Agreement and any waiver or amendment hereto may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed and

delivered shall be an original, but all of which shall together constitute one and the same instrument. This Agreement and any notices given in connection herewith or therewith may be executed and delivered by telecopier or other facsimile transmission all with the same force and effect as if the same was a fully executed and delivered original counterpart.

Section 5.11. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 5.12. Headings. The headings in this Agreement are for purposes of reference only and shall not affect the meaning or construction of any provision of this Agreement.

Section 5.13. Interpretation. All terms not defined herein or in the Loan Agreement shall have the meaning set forth in the Code, except where the context otherwise requires. To the extent a term or provision of this Agreement conflicts with the Loan Agreement and is not dealt with herein with more specificity, the Loan Agreement shall control with respect to the subject matter of such term or provision.

Section 5.14. Continuing Security Interest. This Agreement shall create a continuing security interest in the Intellectual Property Collateral and shall (a) remain in full force and effect until the payment in full in cash of the Obligations and the termination of the Commitments, (b) be binding upon the Borrowers and their respective successors and assigns and (c) inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent, the Lenders and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), any Lender may, in accordance with the terms of the Loan Agreement, assign or otherwise transfer all or any portion of its rights and obligations under the Loan Documents (including, without limitation, all or any portion of any Commitment, any Loans or any Notes held by it) to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, in each case as provided in the Loan Agreement.

Section 5.15. Reinstatement. To the extent permitted by law, this Agreement shall continue to be effective or be reinstated if at any time any amount received by the Agent or any of the Lenders in respect of the Obligations is rescinded or must otherwise be restored or returned by the Agent or any of the Lenders upon the occurrence or during the pendency of any bankruptcy, reorganization or other similar proceeding applicable

to any Borrower, or upon or during the occurrence of any dissolution, liquidation or winding up of any Borrower, all as though such payments had not been made.

Section 5.16. Agent May Perform. If the Borrowers fail to perform any agreement contained herein, the Agent may itself perform, or cause performance of, such agreement, and the expenses of the Agent incurred in connection therewith shall be payable, jointly and severally, by the Borrowers and shall constitute Obligations secured by this Agreement.

Section 5.17. No Duty on Agent. The powers conferred on the Agent hereunder are solely to protect the interest of the Lenders in the Intellectual Property Collateral and shall not impose any duty upon the Agent to exercise any such powers. Except for the safe custody of any Intellectual Property Collateral in its possession and the accounting for moneys actually received by it hereunder, the Agent shall have no duty as to any Intellectual Property Collateral, whether or not the Agent or any Lender has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Intellectual Property Collateral. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Intellectual Property Collateral in its possession if such Intellectual Property Collateral is accorded treatment substantially equal to that which the Agent accords its own property. To the extent the Intellectual Property Collateral is held by a custodian, the Agent shall be deemed to have exercised reasonable care if it has selected the custodian with reasonable care.

Section 5.18. Release; Termination of Agreement.

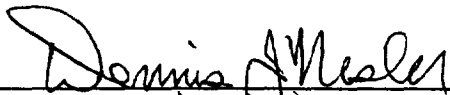
(i) The Agent shall release any Lien in favor of the Lenders upon the sale, transfer or disposition of any Intellectual Property Collateral permitted to be sold, transferred or disposed of pursuant to Section 7.2(e) of the Loan Agreement in accordance with the terms of such Section. Upon any such sale, transfer or disposition of assets constituting Intellectual Property Collateral, the Agent, upon the request and at the expense of the Borrowers, shall execute a release of Lien on such Intellectual Property Collateral and file appropriate UCC termination statements.

(ii) Upon the payment in full of all the Obligations and the termination of the Commitments, the Borrowers shall be entitled to the return of all of the Intellectual Property Collateral and all other cash held by the Agent as additional collateral hereunder

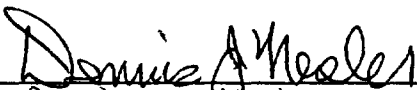
which have not been used or applied toward the payment of the Obligations.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the day and year first above written.

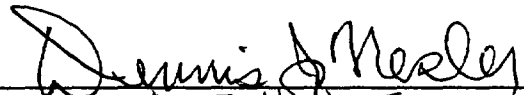
GENERAL DATACOMM INDUSTRIES, INC.

By: 
Name: Dennis J. Nestler
Title: V.P. & Treasurer


GENERAL DATACOMM, INC.

By: 
Name: Dennis J. Nestler
Title: V.P. & Treasurer

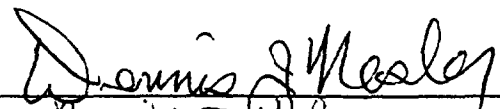
GDC FEDERAL SYSTEMS, INC.

By: 
Name: Dennis J. Nestler
Title: V.P. & Treasurer

GDC NAUGATUCK, INC.

By: 
Name: Dennis J. Nestler
Title: V.P. & Treasurer

VITAL NETWORK SERVICES, INC.

By: 
Name: Dennis J. Nestler
Title: V.P. & Treasurer

Accepted and Agreed as of
the date first above written:

TRANSAMERICA BUSINESS CREDIT
CORPORATION, as Agent

By: Robert D. Pomeroy, Jr.
Name: Robert D. Pomeroy, Jr.
Title: exec. vice president

AS OF 4/30/98

**GENERAL DATACOMM, INC. - U. S. TRADEMARK REGISTRATIONS
(NOT PREVIOUSLY SHOWN ON LIST)**

<u>TRADEMARK</u>	<u>REGISTRATION #</u>	<u>REG. DATE</u>
APEX-STROBOS	2,112,986	11/11/97
STEADFAST SECURITY	2,078,899	7/15/97
QUESTER	2,061,096	5/13/97
SPECTRUM W/PRISM DESIGN	2,131,856	1/27/98
SAFETYNET	2,101,040	9/30/97

**GENERAL DATACOMM, INC. - NEW U. S. TRADEMARK FILINGS
(NOT PREVIOUSLY SHOWN ON LIST)**

<u>TRADEMARK</u>	<u>APPLICATION #</u>
INNOVX	75/471,427
PROSPHERE	75/413,327
STROBOS	75/411,392

LUSKIN, STERN & EISLER LLP

330 MADISON AVENUE
NEW YORK, NEW YORK 10017

TELEPHONE: (212) 293-2700
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HOWARD SCHIFF
SCOTT GREISSMAN
GREGORY S. GORDON

COUNSEL:
STEVEN GUTMAN
MICHAEL A. SOLOMON

September 30, 1998

BY FEDERAL EXPRESS

U.S. Patent and Trademark Office
Assignment Division
Office of Public Records
United States Patent & Trademark Office
Box Assignments
CG-4
1213 Jefferson Davis Hwy, Suite 320
Washington, D.C. 20231

Attention: Trademarks Officer

**Re: General DataComm, Inc.
Intellectual Property Security Agreement**

Dear Sir or Madam:

Enclosed for submission and recording is a copy of the Intellectual Property Security Agreement, dated as of October 22, 1997, made by General DataComm, Inc. (the "Grantor") in favor of Transamerica Business Credit Corporation, as Agent (the "Agent")

By this enclosed document, the Grantor grants and conveys to the Agent a security interest in, among other things, all of its right, title and interest in and to the U.S. Trademark registrations identified in Schedule B of the enclosed Security Agreement.

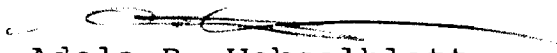
Kindly record this Security Agreement against each of the U.S. Trademark registrations identified in Schedule B annexed thereto.

ASSIGNMENT DIVISION
OCT 1 1998
RECORDED

Enclosed is a check in the amount of \$215 representing payment of the fees incurred in connection with filing and recordation.

Kindly direct any inquires concerning this matter to my attention.

Very truly yours,


Adela B. Wechselblatt
Legal Assistant

ABW:emq
Enclosures