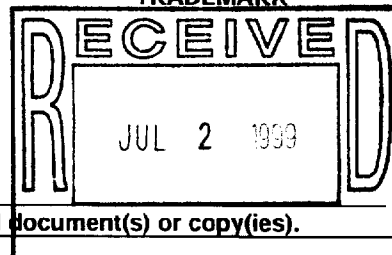


07-21-1999



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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  
Effective Date  
Month Day Year  
07281998
- Merger
- Change of Name
- Other \_\_\_\_\_

Conveying Party

Mark if additional names of conveying parties attached

Name Intrasoft, Inc.

Execution Date  
Month Day Year  
07281998

Formerly \_\_\_\_\_

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other \_\_\_\_\_

Citizenship/State of Incorporation/Organization North Carolina

Receiving Party

Mark if additional names of receiving parties attached

Name Oberlin Capital, L.P.

DBA/AK/A/T/A \_\_\_\_\_

Composed of \_\_\_\_\_

Address (line 1) 702 Oberlin Road

Address (line 2) Suite 150

Address (line 3) Raleigh

City

North Carolina

State/Country

27605

Zip Code

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other \_\_\_\_\_

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.)

Citizenship/State of Incorporation/Organization Delaware

07/20/1999 DNGUYEN 00000256 75299725

FOR OFFICE USE ONLY

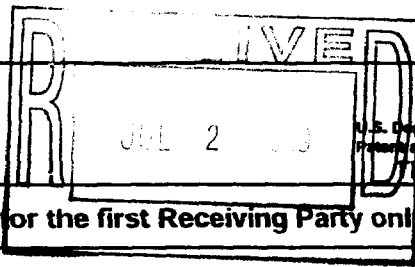
01 FC=481

40.00 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, DC 20503

REEL: 001931 FRAME: 0118



**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.

J. Christopher Lynch

Name of Person Signing

J. Christopher Lynch

Signature

7/24/99

Date Signed

# PATENT AND TRADEMARK SECURITY AGREEMENT

This PATENT AND TRADEMARK SECURITY AGREEMENT ("Agreement"), dated as of July 29, 1998 (the "Effective Date"), is entered into among INTRASOFT, INC., a North Carolina corporation, which has a mailing address at 6320 Quadrangle Drive, Suite 370, Chapel Hill, North Carolina 27514 ("Borrower"), and OBERLIN CAPITAL, L.P., a Delaware limited partnership, which has a mailing address at 702 Oberlin Road, Suite 150, Raleigh, North Carolina 27605 ("Lender").

## RECITALS

A. Borrower and Lender are, contemporaneously herewith, entering into that certain Loan and Security Agreement ("Loan Agreement") pursuant to which Borrower is issuing a debenture to Lender (the "Debenture") and that certain Security Agreement In Copyrighted Works (collectively, together with the Loan Agreement and the Debenture, the "Loan Documents") of even date herewith; and

B. Borrower is the owner of certain intellectual property, identified below, in which Borrower is granting a security interest to Lender.

NOW THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereinafter set forth and for other good and valuable consideration, the parties hereto mutually agree as follows.

## 1. DEFINITIONS AND CONSTRUCTION.

1.1 **Definitions.** The following terms, as used in this Agreement, have the following meanings:

"Code" means Chapter 25 of the General Statutes of North Carolina, as amended and supplemented from time to time, and any successor statute.

"Collateral" means all of the following, whether now owned or hereafter acquired:

(i) Each of the trademark rights and interests that are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers, and applications pertaining thereto), that are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Borrower, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(ii) Each of the patents and patent applications which are presently, or in the future may be, owned, issued, acquired, or used (whether pursuant to a license or otherwise) by Borrower, in whole or in part, and all patent rights with respect thereto

throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), foreign filing rights, and rights to extend such patents and patent rights;

(iii) All of Borrower's right to the trademarks and trademark registrations listed on Exhibit A attached hereto, as the same may be updated hereafter from time to time;

(iv) All of Borrower's right, title, and interest, in and to the patents and patent applications listed on Exhibit B attached hereto, as the same may be updated hereafter from time to time;

(v) All of Borrower's right, title and interest to register trademark claims under any state or federal trademark law or law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Borrower or in the name of Lender for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(vi) All of Borrower's right, title, and interest in all patentable inventions, and to file applications for patents under patent law or regulations of the United States or of any foreign country, and to request reexamination and/or reissue of the patents, the right (without obligation) to sue or bring interference proceedings in the name of Borrower or in the name of Lender for past, present, and future infringements of the patents, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(vii) The entire goodwill of or associated with the businesses now or hereafter conducted by Borrower connected with and symbolized by any of the aforementioned properties and assets;

(viii) All general intangibles relating to the foregoing and all other intangible intellectual or other similar property of the Borrower of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(ix) All products and proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

**"Obligations"** means all obligations, liabilities, and indebtedness of Borrower to Lender, whether direct, indirect, liquidated, or contingent, and whether arising under this Agreement, the Loan Agreement, any other of the Loan Documents, or otherwise, including all costs and expenses described in Section 9.8 hereof.

**1.2 Construction.** Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, and the term "including" is not limiting. The words "hereof," "herein," "hereby," "hereunder," and other similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement. Any initially capitalized terms used but not defined herein shall have the meaning set forth in the Loan Agreement. Any reference herein to any of the Loan Documents includes any and all alterations, amendments, extensions, modifications, renewals, or supplements thereto or thereof, as applicable. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Lender or Borrower, under any presumptive rule of construction. On the contrary, this Agreement has been reviewed by Borrower or Lender, and their counsels, and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of Lender and Borrower. Headings have been set forth herein for convenience only, and shall not be used in the construction of this Agreement.

## **2. GRANT OF SECURITY INTEREST.**

To secure the complete and timely payment and performance of all Obligations, and without limiting any other security interest Borrower has granted to Lender, Borrower hereby grants, assigns, and conveys to Lender a security interest in its entire right, title, and interest in and to the Collateral.

## **3. REPRESENTATIONS, WARRANTIES AND COVENANTS.**

Borrower hereby represents, warrants, and covenants that:

**3.1 Trademarks; Patents.** A true and complete schedule setting forth all federal, state and international trademark registrations owned or controlled by it, together with a summary description and information in respect of the filing or issuance thereof and expiration dates is set forth on Exhibit A; and a true and complete schedule setting forth all patent and patent applications owned or controlled by it or licensed to it, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Exhibit B.

**3.2 Validity; Enforceability.** Except as disclosed in the Loan Agreement, Borrower is not presently aware of any past, present, or prospective claim by any third party that any of the patents or trademarks included in the collateral are invalid or unenforceable, or that the use of any patents or trademarks included in the Collateral violates the rights of any third person, or of any basis for any such claims.

**3.3 Title.** Except as noted on Exhibit A or Exhibit B, Borrower is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the patents, patent applications, trademarks, and trademark registrations included in the Collateral, free and clear of any liens, charges, and encumbrances, including pledges, assignments, licenses, shop rights, and covenants by Borrower not to sue third persons, except for prior liens as provided in Schedule 3.06 in the Loan Agreement.

**3.4 Notice.** Borrower has used and will continue to use proper statutory notice in connection with its use of each of the patents and trademarks included in the Collateral.

**3.5 Quality.** Borrower has used and will continue to use consistent standards of high quality (which may be consistent with its past practices) in the manufacture, sale, and delivery of products and services sold or delivered under or in connection with the trademarks included in the Collateral, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the trademarks included in the Collateral.

**3.6 Perfection of Security Interest.** Except for the filing of a financing statement with the Office of the Secretary of State of North Carolina, the Office of the Register of Deeds of Durham County and filings with the United States Patent and Trademark Office necessary to perfect the security interests created hereunder, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Borrower of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Borrower or for the perfection of or the exercise by Lender of its rights hereunder to the Collateral in the United States.

#### **4. AFTER-ACQUIRED PATENT OR TRADEMARK RIGHTS.**

If Borrower shall obtain rights to any new trademarks, any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. Borrower, as the case may be, shall give prompt notice in writing to Lender with respect to any such new trademarks or patents, or renewal or extension of any trademark registration. Without limiting Borrower's obligation under this Section 4, Borrower and Lender, as the case may be, authorize Lender to modify this Agreement by amending Exhibits A or B to include any such new patent or trademark rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Exhibits A or B shall in any way affect, invalidate or detract from Lender's continuing security interest in all Collateral, whether or not listed on Exhibits A or B.

#### **5. LITIGATION AND PROCEEDINGS.**

Borrower shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and at its own expense, such suits, administrative proceedings, or other actions for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Borrower shall provide to Lender any information with respect thereto reasonably requested by Lender. Lender shall provide at Borrower's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Promptly, following Borrower's becoming aware thereof, Borrower shall notify Lender of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or any United States, state, or foreign court regarding Borrower's claim of ownership in any of the patents or trademarks, its right to apply for the same, or its right to keep and maintain such patent or trademark rights.

## **6. POWER OF ATTORNEY.**

Borrower hereby appoints Lender as Borrower's true and lawful attorney, with full power of substitution, to do any or all of the following, in the name, place and stead of Borrower, as the case may be: (a) file this Agreement (or an abstract hereof) or any other document describing Lender's interest in the Collateral with the United States Patent and Trademark Office; (b) execute any modification of this Agreement pursuant to Section 4 of this Agreement; (c) take any action and execute any instrument which Lender reasonably may deem necessary or advisable to accomplish the purposes of this Agreement; and (d) following an Event of Default (as defined in the Loan Agreement), (i) endorse Borrower's name on all applications, documents, papers and instruments necessary for Lender to use or maintain the Collateral; (ii) ask, demand, collect, sue for, recover, impound, receive, and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral; (iii) file any claims or take any action or institute any proceedings that Lender reasonably may deem necessary or desirable for the collection of any of the Collateral or otherwise enforce Lender's rights with respect to any of the Collateral, and (iv) assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person, but only to the extent permitted by Section 8 of this Agreement or by law.

## **7. RIGHT TO INSPECT.**

Borrower grants to Lender and its employees and agents the right to visit Borrower's plants, corporate offices and facilities which manufacture, inspect, or store products sold under any of the patents or trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours, but only upon two (2) business day's advance notice.

## **8. SPECIFIC REMEDIES.**

Upon the occurrence and during the continuation of any Event of Default (as defined in the Loan Agreement), Lender shall have, in addition to other rights given by law or in this Agreement, the Loan Agreement, or in any other Loan Document, all of the rights and remedies with respect to the Collateral of a secured party under the Code, including the following:

**8.1 Notification.** Lender may notify licensees to make royalty payments on license agreements directly to Lender;

**8.2 Sale.** Lender may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Lender deems advisable, subject to compliance with the Code. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Borrower, as the case may be, ten (10) days prior to such disposition. Borrower shall be credited with the net proceeds of such sale, as applicable, only when they are actually received by Lender, and Borrower shall continue to be liable for any deficiency remaining after the Collateral is sold or collected. If the sale is to be a public sale, Lender shall also give notice of the time and place by publishing a notice one time at least five (5) days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held. To the maximum extent permitted by applicable law, Lender may be

the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any collateral payable by Lender at such sale.

## **9. GENERAL PROVISIONS.**

**9.1 Effectiveness.** This Agreement shall be binding and deemed effective on the Effective Date.

**9.2 Notices.** Except to the extent otherwise provided herein, all notices, demands, and requests that either party is required or elects to give to the other shall be in writing and shall be governed by the notice provisions of the Loan Agreement.

**9.3 No Waiver.** No course of dealing between Borrower and Lender, nor any failure to exercise nor any delay in exercising, on the part of Lender, any right, power, or privilege under this Agreement, shall operate as a waiver. No single or partial exercise of any right, power, or privilege under this Agreement shall preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege by Lender.

**9.4 Rights Are Cumulative.** All of Lender's rights and remedies with respect to the Collateral whether established by this Agreement, the Loan Agreement, or any other documents or agreements, or by law shall be cumulative and may be exercised concurrently or in any order.

**9.5 Successors.** The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties; provided that Borrower may not transfer any of the Collateral or any rights hereunder, without the prior written consent of Lender, except as specifically permitted hereby.

**9.6 Severability.** The provisions of this Agreement are severable. If any provision of this Agreement is held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such provision, or part thereof, in such jurisdiction, and shall not in any manner affect such provision or part thereof in any other jurisdiction, or any other provision of this Agreement in any jurisdiction.

**9.7 Entire Agreement.** This Agreement is subject to modification only by a writing signed by the parties, except as provided in Section 4 of this Agreement. To the extent that any provision of this Agreement conflicts with any provision of the Loan Agreement, the provision giving Lender greater rights or remedies shall govern, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to Lender under the Loan Agreement. This Agreement, the Loan Agreement, and the documents relating thereto comprise the entire agreement of the parties with respect to the matters addressed in this Agreement.

**9.8 Fees and Expenses.** Borrower shall pay to Lender on demand all reasonable costs and expenses that Lender pays or incurs in connection with the enforcement and termination of this



Agreement, including: (a) reasonable attorneys' fees and disbursements of counsel to Lender; (b) costs and expenses (including reasonable attorneys' fees and disbursements) for any amendment or supplement (but only if requested by Borrower), waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien and title searches; (d) taxes, fees, and other charges for filing this Agreement at the United States Patent and Trademark Office, or for filing financing statements, and continuations, and other actions to perfect, protect, and continue the security interest created hereunder; (e) sums paid or incurred to pay any amount or take any action required of Borrower under this Agreement that Borrower fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) costs and expenses (including reasonable attorneys' fees and disbursements) paid or incurred to enforce the security interest created hereunder, sell or otherwise realize upon the Collateral, and otherwise enforce the provisions of this Agreement, or to defend any claims made or threatened against the Lender arising out of the transactions contemplated hereby. The foregoing shall not be construed to limit any other provisions of this Agreement or the Loan Documents regarding costs and expenses to be paid by Borrower. The parties agree that reasonable attorneys' fees and costs incurred in enforcing any judgment are recoverable as a separate item in addition to fees and costs incurred in obtaining the judgment and that the recovery of such attorneys' fees and costs is intended to survive any judgment, and is not to be deemed merged into any judgment.

**9.9 Indemnity.** Borrower shall protect, defend, indemnify, and hold harmless Lender and its assigns from all liabilities, losses, and costs (including without limitation reasonable attorneys' fees) incurred or imposed on Lender as a result of Borrower's breach in any material respect of its covenants, or any material inaccuracy in Borrower's representations, under this Agreement.

**9.10 Further Assurances.** At Lender's request, Borrower shall execute and deliver to Lender any further instruments or documentation, and perform any acts, that reasonably may be necessary or appropriate to implement this Agreement and the documents relating hereto, including without limitation any instrument or documentation reasonably necessary or appropriate to create, maintain, perfect, or effectuate Lender's security interests in the Collateral.

**9.11 Release.** At such time as Borrower shall completely satisfy all of the Obligations and the Loan Agreement shall have been terminated, Lender shall execute and deliver to Borrower all assignments and other instruments as reasonably may be necessary or proper to terminate Lender's security interest in the Collateral, subject to any disposition of the Collateral that may have been made by Lender pursuant to this Agreement. For the purpose of this Agreement, the Obligations shall be deemed to continue if Borrower enters into any bankruptcy or similar proceeding at a time when any amount paid to Lender could be ordered to be repaid as a preference or pursuant to a similar theory, and shall continue until it is finally determined that no such repayment can be ordered.

**9.12 Governing Law.** The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of North Carolina, excluding its conflict of law rules to the extent such rules would apply the law of another jurisdiction, and the United States. The parties agree that all actions or proceedings arising in

connection with this Agreement shall be tried and litigated only in the state and federal courts located in Wake County, State of North Carolina. Each of Borrower and Lender waives, to the extent permitted under applicable law, any right they may have to assert the doctrine of *forum non conveniens* or to object to venue to the extent any proceeding is brought in accordance with this Section.

**9.13 Arbitration.** Any dispute or claim arising out of, or in connection with, this Agreement shall be finally settled by binding arbitration in Raleigh, North Carolina, United States of America, in accordance with the then-current rules and procedures of the American Arbitration Association by one (1) arbitrator appointed by a court of competent jurisdiction. The arbitrator shall apply the law of the State of North Carolina, without reference to rules of conflict of law or statutory rules of arbitration, to the merits of any dispute or claim. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties agree that, any provision of applicable law notwithstanding, they will not request, and the arbitrator shall have no authority to award, punitive or exemplary damages against any party.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

BORROWER:

INTRASOFT, INC.

By: Roberta B. Hardy  
Roberta B. Hardy, President

Attest: Leonard C. Homer

Name: Leonard C. Homer  
Title: Secretary

LENDER:

OBERLIN CAPITAL, L.P.

By: \_\_\_\_\_  
Robert G. Shepley, Jr.  
President of the General Partner

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

BORROWER:

INTRASOFT, INC.

By: \_\_\_\_\_  
Roberta B. Hardy, President

Attest: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

LENDER:

OBERLIN CAPITAL, L.P.

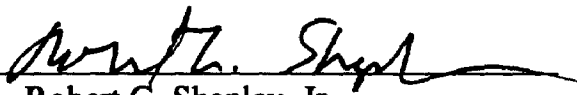
By:  \_\_\_\_\_  
Robert G. Shepley, Jr.  
President of the General Partner

Exhibit A

**PENDING TRADEMARKS**

<b><u>Trademark</u></b>	<b><u>Application Date</u></b>	<b><u>Serial No.</u></b>	<b><u>Country</u></b>
KeyVision (And Design)	May 28, 1997	75/299725	USA

**Exhibit B**

**PATENTS**

<b><u>Patent Description/Title</u></b>	<b><u>Issue Date</u></b>	<b><u>Patent No.</u></b>	<b><u>Country</u></b>
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None