

07-22-1999

FORM PTO-1594  
1-31-92

U.S. Department of Commerce  
Patent and Trademark Office



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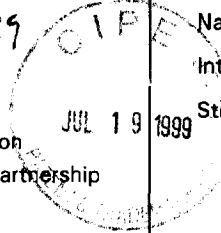
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): MCO  
Interlink Communications, Inc. 7-19-99

Individual(s)                       Association  
 General Partnership             Limited Partnership  
 Corporation-State Delaware  
 Other \_\_\_\_\_

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and Address of receiving party(ies):  
Name: Cahill, Warnock, Strategic Partners Fund, L.P.  
Internal Address:  
Street Address: One South Street  
Suite 2150  
Baltimore, MC 21202



3. Nature of conveyance:

Assignment                       Merger  
 Security Agreement             Change of Name  
 Other \_\_\_\_\_

Execution Date: June 18, 1999

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State Delaware  
 Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
 (Designations must be a separate document from Assignment)  
 Additional name(s) & address(es) attached?  Yes  No

4. Application number(s) or registration number(s):  
A. Trademark Application No.(s)

B. Trademark registration No.(s)  
 1,263,498 EQUATORIAL  
 1,228,254 EQUATORIAL (& Design)  
 1,319,036 EQUATORIAL (& Design)  
 1,394,371 EQUASTAR

Additional numbers attached?  Yes  No

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

Name: Timothy J. Lyden  
 Internal Address: Hogan & Hartson LLP  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Street Address: 8300 Greensboro Drive  
Suite 1100  
 City: McLean State: VA Zip: 22102

6. Total number of applications and registrations involved: ..... 4

7. Total fee (37 CFR 3.41): ..... \$ 115.00

Enclosed 115 E  
 Authorized to be charged to deposit account

8. Deposit account number:  
08-2550  
 (Attach duplicate copy of this page if paying by deposit account)

07/21/1999 MHAI1 00000227 1263498

01 FC:481 40.00 OP  
02 FC:482 75.00 OP

DO NOT USE THIS SPACE

9. 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.*

Timothy J. Lyden  
Name of Person Signing

[Signature]  
Signature

July 19, 1999  
Date

Total number of pages comprising cover sheet: 29

\*\*\*\*\*  
SECURITY AGREEMENT

Dated as of June 18, 1999

between

INTERLINK COMMUNICATIONS, INC.

and

CAHILL, WARNOCK, STRATEGIC PARTNERS FUND, L.P.,  
as Agent

\*\*\*\*\*

## SECURITY AGREEMENT

This SECURITY AGREEMENT, dated as of June 18, 1999 (this "Agreement"), is made between INTERLINK COMMUNICATIONS, INC., a Delaware corporation (the "Company"), and CAHILL, WARNOCK, STRATEGIC PARTNERS FUND, L.P., a Delaware limited partnership, as agent for the Lenders referred to below (in such capacity, together with its successors in such capacity, the "Agent").

The Securities Purchase Agreement, dated as of June 18, 1999 (the "Securities Purchase Agreement"), among Telscape International, Inc., a Texas corporation ("Telscape"), the Company, each of the lenders signatory thereto (individually, a "Lender" and, collectively, the "Lenders"), and the Agent, provides, subject to its terms and conditions, for the purchase of secured promissory notes by the Lenders from Telscape and the Company. It is a condition to the obligations of Lenders under the Securities Purchase Agreement that the Company shall have executed and delivered, and granted the Liens provided for in, this Agreement.

To induce Lenders to enter into, and to purchase the secured promissory notes under, the Securities Purchase Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company has agreed to pledge and grant a security interest in the Collateral as security for the Secured Obligations. Accordingly, the Company agrees with Agent as follows:

### Section 1. Definitions and Interpretation.

1.01 Certain Defined Terms. Unless otherwise defined, all capitalized terms used in this Agreement that are defined in the Securities Purchase Agreement (including those terms incorporated by reference) shall have the respective meanings assigned to them in the Securities Purchase Agreement. In addition, the following terms shall have the following meanings under this Agreement:

"Accounts" shall have the meaning assigned to that term in Section 2.01(b).

"Collateral" shall have the meaning assigned to that term in Section 2.01.

"Copyright Collateral" shall mean all Copyrights, whether now owned or hereafter acquired by the Company, including each Copyright identified in Annex 2.

"Copyrights" shall mean, collectively, (a) all copyrights, copyright registrations and applications for copyright registrations, (b) all renewals and extensions of all copyrights, copyright registrations and applications for copyright registration and (c) all rights, now existing or hereafter coming into existence, (i) to all income, royalties, damages and other payments (including in respect

of all past, present or future infringements) now or hereafter due or payable under or with respect to any of the foregoing, (ii) to sue for all past, present and future infringements with respect to any of the foregoing and (iii) otherwise accruing under or pertaining to any of the foregoing throughout the world.

"Documents" shall have the meaning assigned to that term in Section 2.01(f).

"Equipment" shall have the meaning assigned to that term in Section 2.01(e).

"Governmental Person" shall mean any Federal, state, municipal, local, territorial or other governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, judicial or administrative body, domestic or foreign.

"Initial Securities Purchase Agreement" shall have the meaning assigned to that term in Section 2.11.

"Instruments" shall have the meaning assigned to that term in Section 2.01(c).

"Intellectual Property" shall mean all Copyright Collateral, all Patent Collateral and all Trademark Collateral, together with (a) all inventions, processes, production methods, proprietary information, know-how and trade secrets; (b) all licenses or user or other agreements granted to the Company with respect to any of the foregoing, in each case whether now or hereafter owned or used, including the licenses or other agreements with respect to the Copyright Collateral, the Patent Collateral or the Trademark Collateral listed in Annex 5; (c) all information, customer lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials standards, processing standards, performance standards, catalogs, computer and automatic machinery software and programs; (d) all field repair data, sales data and other information relating to sales or service of products now or hereafter manufactured; (e) all accounting information and all media in which or on which any information or knowledge or data or records may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data; (f) the approvals of any Governmental Person now held or hereafter obtained by the Company in respect of any of the foregoing; and (g) all causes of action, claims and warranties now owned or hereafter acquired by the Company in respect of any of the foregoing. It is understood that Intellectual Property shall include all of the foregoing owned or acquired by the Company on a worldwide basis.

"Inventory" shall have the meaning assigned to that term in Section 2.01(d).

"Patent Collateral" shall mean all Patents, whether now owned or hereafter acquired by the Company, including each Patent identified in Annex 3.

"Patents" shall mean, collectively, (a) all patents and patent applications, (b) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of all patents or patent applications and (c) all rights, now existing or hereafter coming into existence, (i) to all income, royalties, damages, and other payments (including in respect of all past, present and future infringements) now or hereafter due or payable under or with respect to any of the foregoing, (ii) to sue for all past, present and future infringements with respect to any of the foregoing and (iii) otherwise accruing under or pertaining to any of the foregoing throughout the world, including all inventions and improvements described or discussed in all such patents and patent applications.

"Secured Obligations" shall mean (a) the payment and performance of the Notes by the Company and/or Telscape and (b) any and all obligations of the Company and/or Telscape for the performance of the agreements, covenants and undertakings of the Company and/or Telscape under or in respect of the Loan Documents.

"Trademark Collateral" shall mean all Trademarks, whether now owned or hereafter acquired by the Company, including each Trademark identified in Annex 4. Notwithstanding the foregoing, the Trademark Collateral shall not include any Trademark which would be rendered invalid, abandoned, void or unenforceable by reason of its being included as part of the Trademark Collateral.

"Trademarks" shall mean, collectively, (a) all trade names, trademarks and service marks, logos, trademark and service mark registrations and applications for trademark and service mark registrations, (b) all renewals and extensions of any of the foregoing and (c) all rights, now existing or hereafter coming into existence, (i) to all income, royalties, damages and other payments (including in respect of all past, present and future infringements) now or hereafter due or payable under or with respect to any of the foregoing, (ii) to sue for all past, present and future infringements with respect to any of the foregoing and (iii) otherwise accruing under or pertaining to any of the foregoing throughout the world, together, in each case, with the product lines and goodwill of the business connected with the use of, or otherwise symbolized by, each such trade name, trademark and service mark.

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect in the State of Maryland from time to time or, by reason of mandatory application, any other applicable jurisdiction.

Section 1.02 Interpretation. In this Agreement, unless otherwise indicated, the singular includes the plural and plural the singular; words importing either gender include the other gender; references to statutes or regulations are to be construed as including all statutory or regulatory provisions consolidating, amending or replacing the statute or regulation referred to; references to "writing" include printing, typing, lithography and other means of reproducing words in a tangible visible form; the words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to articles, sections (or subdivisions of

sections), exhibits, annexes or schedules are to this Agreement; references to agreements and other contractual instruments shall be deemed to include all subsequent amendments, extensions and other modifications to such instruments (without, however, limiting any prohibition on any such amendments, extensions and other modifications by the terms of any Loan Document); and references to persons include their respective permitted successors and assigns and, in the case of Governmental Persons, persons succeeding to their respective functions and capacities.

Section 2. Collateral.

2.01 Grant. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) and performance of the Secured Obligations, the Company hereby pledges and grants to Agent a security interest in all of the Company's right, title and interest in and to the following property, whether now owned or hereafter acquired by the Company and whether now existing or hereafter coming into existence (collectively, the "Collateral"):

(a) [Intentionally left blank]

(b) all accounts and general intangibles (each as defined in the Uniform Commercial Code) of the Company constituting a right to the payment of money, whether or not earned by performance, including all moneys due and to become due to the Company in repayment of any loans or advances, in payment for goods (including Inventory and Equipment) sold or leased or for services rendered, in payment of tax refunds and in payment of any guarantee of any of the foregoing (collectively, the "Accounts");

(c) all instruments, chattel paper or letters of credit (each as defined in the Uniform Commercial Code) of the Company evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any of the Accounts (collectively, the "Instruments");

(d) all inventory (as defined in the Uniform Commercial Code) and all other goods of the Company that are held by the Company for sale, lease or furnishing under a contract of service (including to its subsidiaries or affiliates), that are so leased or furnished or that constitute raw materials, work in process or material used or consumed in its business, including all spare parts and related supplies, all goods obtained by the Company in exchange for any such goods, all products made or processed from any such goods and all substances, if any, commingled with or added to any such goods (collectively, the "Inventory");

(e) all equipment (as defined in the Uniform Commercial Code) and all other goods of the Company that are used or bought for use primarily in its business, including all spare parts and related supplies, all goods obtained by the Company in exchange for any such goods, all substances, if any, commingled with or added to such goods and all upgrades and other

improvements to such goods, in each case to the extent not constituting Inventory (collectively, the "Equipment");

(f) all documents of title (as defined in the Uniform Commercial Code) or other receipts of the Company covering, evidencing or representing Inventory or Equipment (collectively, the "Documents");

(g) all contracts and other agreements of the Company relating to the sale or other disposition of all or any part of the Inventory, Equipment or Documents and all rights, warranties, claims and benefits of the Company against any person arising out of, relating to or in connection with all or any part of the Inventory, Equipment or Documents of the Company, including any such rights, warranties, claims or benefits against any person storing or transporting any such Inventory or Equipment or issuing any such Documents;

(h) all other accounts or general intangibles of the Company not constituting Accounts, including, to the extent related to all or any part of the other Collateral, all books, correspondence, credit files, records, invoices, tapes, cards, computer runs and other papers and documents in the possession or under the control of the Company or any computer bureau or service company from time to time acting for the Company;

(i) all other tangible and intangible property of the Company, including all Intellectual Property; and

(j) all proceeds and products in whatever form of all or any part of the other Collateral, including all proceeds of insurance and all condemnation awards and all other compensation for any casualty with respect to all or any part of the other Collateral (together with all rights to recover and proceed with respect to the same), and all accessories to, substitutions for and replacements of all or any part of the other Collateral.

**2.02 Intellectual Property.** For the purpose of enabling Agent to exercise its rights, remedies, powers and privileges under Section 6 at such time or times as Agent shall be lawfully entitled to exercise such rights, remedies, powers and privileges, and for no other purpose, the Company hereby grants to Agent, to the extent assignable, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Company) to use, assign, license or sublicense any of the Intellectual Property of the Company, together with reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of such items.

**2.03 Perfection.** Concurrently with the execution and delivery of this Agreement, the Company shall (i) file such financing statements and other documents in such offices as shall be necessary or as Agent may request to perfect and establish the priority of the Liens granted by this Agreement, (ii) deliver and pledge to Agent any and all Instruments, endorsed or accompanied by

such instruments of assignment and transfer in such form and substance as Agent may request, and (iii) take all such other actions as shall be necessary or as Agent may request to perfect and establish the priority of the Liens granted by this Agreement.

**2.04 Preservation and Protection of Security Interests.** The Company shall:

(a) [Intentionally left blank]

(b) upon the acquisition after the Closing Date by the Company of any Instrument, promptly deliver and pledge to Agent all such Instruments, endorsed or accompanied by such instruments of assignment and transfer in such form and substance as Agent may request;

(c) upon the acquisition after the Closing Date by the Company of any Equipment covered by a certificate of title or ownership, promptly cause Agent to be listed as the lienholder on such certificate of title and within 30 days of the acquisition of such Equipment deliver evidence of the same to Agent;

(d) upon the Company's acquiring, or otherwise becoming entitled to the benefits of, any Copyright (or copyrightable material), Patent (or patentable invention), Trademark (or associated goodwill) or other Intellectual Property or upon or prior to the Company's filing, either directly or through any agent, licensee or other designee, of any application with any Governmental Person for any Copyright, Patent, Trademark, or other Intellectual Property, in each case after the Closing Date, execute and deliver such contracts, agreements and other instruments as Agent may request to evidence, validate, perfect and establish the priority of the Liens granted by this Agreement in such and any related Intellectual Property and, if requested by Agent, amend Annex 2, 3 or 4 (as the case may be) to reflect the inclusion of any such Intellectual Property as part of the Collateral (it being understood that the failure to amend any such Annex shall not affect the Liens granted by this Agreement on any such Intellectual Property); and

(e) give, execute, deliver, file or record any and all financing statements, notices, contracts, agreements or other instruments, obtain any and all approvals of Governmental Persons and take any and all steps that may be necessary or as Agent may request to create, perfect, establish the priority of, or to preserve the validity, perfection or priority of, the Liens granted by this Agreement or to enable Agent to exercise and enforce its rights, remedies, powers and privileges under this Agreement with respect to such Liens.

**2.05 Attorney-in-Fact.**

(a) Subject to the rights of the Company under Sections 2.06, 2.07, 2.08 and 2.09, Agent is hereby appointed the attorney-in-fact of the Company for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instruments which Agent may deem necessary or advisable to accomplish the purposes of this Agreement, to preserve the



validity, perfection and priority of the Liens granted by this Agreement and, following any Event of Default, to exercise its rights, remedies, powers and privileges under this Agreement. This appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, Agent shall be entitled under this Agreement upon the occurrence and continuation of any Event of Default (i) to ask, demand, collect, sue for, recover, receive and give receipt and discharge for amounts due and to become due under and in respect of all or any part of the Collateral; (ii) to receive, endorse and collect any Instruments or other drafts, instruments, documents and chattel paper in connection with clause (i) above (including any draft or check representing the proceeds of insurance or the return of unearned premiums); (iii) to file any claims or take any action or proceeding that Agent may deem necessary or advisable for the collection of all or any part of the Collateral, including the collection of any compensation due and to become due under any contract or agreement with respect to all or any part of the Collateral; and (iv) to execute, in connection with any sale or disposition of the collateral under Section 6, any endorsements, assignments, bills of sale or other instruments of conveyance or transfer with respect to all or any part of the Collateral.

(b) Without limiting the rights and powers of Agent under Section 2.05(a), the Company hereby appoints Agent as its attorney-in-fact, effective the Closing Date and terminating upon the termination of this Agreement, for the purpose of (i) filing such applications with such state agencies and (ii) executing such other documents and instruments on behalf of, and taking such other action in the name of, the Company as Agent may deem necessary or advisable to accomplish the purposes of this Agreement. This appointment as attorney-in-fact is irrevocable and coupled with an interest.

2.06 [Intentionally left blank]

2.07 Use of Intellectual Property. Subject to such action not otherwise constituting an Event of Default and so long as no Event of Default shall have occurred and be continuing, the Company will be permitted to exploit, use, enjoy, protect, license, sublicense, assign, sell, dispose of or take other actions with respect to the Intellectual Property in the ordinary course of the business of the Company. In furtherance of the foregoing, so long as no Event of Default shall have occurred and be continuing, Agent shall from time to time, upon the request of the Company, execute and deliver any instruments, certificates or other documents, in the form so requested, which the Company shall have certified are appropriate (in its judgment) to allow it to take any action permitted above (including relinquishment of the license provided pursuant to Section 2.02 as to any specific Intellectual Property). The exercise of rights, remedies, powers and privileges under Section 6 by Agent shall not terminate the rights of the holders of any licenses or sublicenses theretofore granted by the Company in accordance with the first sentence of this Section 2.07.

2.08 Instruments. So long as no Event of Default shall have occurred and be continuing, the Company may retain for collection in the ordinary course of business any Instruments obtained by it in the ordinary course of business, and Agent shall, promptly upon the

request, and at the expense of, the Company, make appropriate arrangements for making any Instruments pledged by the Company available to the Company for purposes of presentation, collection or renewal. Any such arrangement shall be effected, to the extent deemed appropriate by Agent, against trust receipt or like document.

**2.09 Use of Collateral.** So long as no Event of Default shall have occurred and be continuing, the Company shall, in addition to its rights under Sections 2.06, 2.07 and 2.08 in respect of the Collateral contemplated in those sections, be entitled to use and possess the other Collateral and to exercise its rights, title and interest in all contracts, agreements, licenses and approvals of Governmental Persons, subject to the rights, remedies, powers and privileges of Agent under Sections 3 and 6 and to such use, possession or exercise not otherwise constituting an Event of Default.

**2.10 Rights and Obligations.**

(a) The Company shall remain liable to perform its duties and obligations under the contracts and agreements included in the Collateral in accordance with their respective terms to the same extent as if this Agreement had not been executed and delivered. The exercise by Agent of any right, remedy, power or privilege in respect of this Agreement shall not release the Company from any of its duties and obligations under such contracts and agreements. Agent shall have no duty, obligation or liability under such contracts and agreements or in respect to any approval of any Governmental Persons included in the Collateral by reason of this Agreement or any other Loan Document, nor shall Agent be obligated to perform any of the duties or obligations of the Company under any such contract or agreement or any such approval of any Governmental Persons or to take any action to collect or enforce any claim (for payment) under any such contract or agreement or approval of any Governmental Persons.

(b) No Lien granted by this Agreement in the Company's right, title and interest in any contract, agreement or approval of any Governmental Person shall be deemed to be a consent by Agent to any such contract, agreement or approval of any Governmental Person.

(c) No reference in this Agreement to proceeds or to the sale or other disposition of Collateral shall authorize the Company to sell or otherwise dispose of any Collateral except to the extent otherwise expressly permitted by the terms of any Loan Document.

(d) Agent shall not be required to take steps necessary to preserve any rights against prior parties to any part of the Collateral.

**2.11 Termination.** This Agreement shall terminate upon the earliest to occur of: (i) the payment in full of all of the Secured Obligations; (ii) the prepayment of the principal of the Notes in the aggregate amount of \$1,000,000, together with all accrued and unpaid interest on the Notes, and the conversion of the remaining principal in the aggregate amount of \$1,000,000 pursuant to

e(ii)(B)

Section 1.3(d) of the Securities Purchase Agreement; or (iii) the payment in full of all of the secured obligations owing to the Lenders under the Securities Purchase Agreement dated as of May 5, 1999 (the "Initial Securities Purchase Agreement"), among the Company, Telscape, the Agent and the lenders signatories thereto. Upon such termination of this agreement the Agent shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect of the Collateral, to or on the order of the Company and to be released, canceled and granted back all licenses and rights referred to in Section 2.02. Agent shall also execute and deliver to the Company upon such termination such Uniform Commercial Code termination statements, and such other documentation as shall be reasonably requested by the Company to effect the termination and release of the Liens granted by this Agreement on the Collateral.

### Section 3. Certain Proceeds.

3.01 Notice to Account Debtors. If any Event of Default shall have occurred and be continuing, the Company shall, upon request of Agent, promptly notify (and the Company hereby authorizes Agent so to notify) each account debtor in respect of any Accounts or Instruments that such Collateral has been assigned to Agent under this Agreement and that any payments due or to become due in respect of such Collateral are to be made directly to Agent.

3.02 Proceeds Held in Trust. If any Event of Default shall have occurred and be continuing, the Company agrees that if the proceeds of any Collateral (including payments made in respect of Accounts and Instruments) shall be received by it, all such proceeds shall be held in trust by the Company for and as the property of Agent and shall not be commingled with any other funds or property of the Company.

Section 4. Representations and Warranties. As of the Closing Date, the Company represents and warrants to Agent as follows:

4.01 Title. The Company is the sole beneficial owner of the Collateral in which it purports to grant a Lien pursuant to this Agreement, and such Collateral is free and clear of all Liens (other than pursuant to the Initial Securities Purchase Agreement). The Liens granted by this Agreement in favor of Agent have attached and constitute a perfected security interest in all of such Collateral (other than Intellectual Property registered or otherwise located outside of the United States of America) prior to all other Liens (other than pursuant to the Initial Securities Purchase Agreement).

4.02 [Intentionally left blank]

#### 4.03 Intellectual Property.

(a) Annexes 2, 3 and 4 set forth completely and correctly all Copyrights, Patents and Trademarks owned by the Company on the Closing Date; except pursuant to licenses and other user agreements entered into by the Company in the ordinary course of business and listed in Annex 5, the Company owns and possesses the right to use, and has done nothing to authorize or enable any other Person to use, any Copyright, Patent or Trademark listed in Annex 2, 3 or 4; all registrations listed in Annexes 2, 3 and 4 are valid and in full force and effect; and, except as may be set forth in Annex 5, the Company owns and possesses the right to use all Copyrights, Patents and Trademarks listed in Annexes 2, 3 and 4;

(b) Annex 5 sets forth completely and correctly all licenses and other user agreements included in the Intellectual Property on the Closing Date;

(c) To the Company's knowledge, (i) except as set forth in Annex 5, there is no violation by others of any right of the Company with respect to any Copyright, Patent or Trademark listed in Annex 2, 3 or 4 and (ii) the Company is not infringing in any respect upon any Copyright, Patent or Trademark of any other Person; and no proceedings have been instituted, are pending against the Company or, to the Company's knowledge, have been threatened against, and no claim has been received by, the Company, alleging any such violation, except as may be set forth in Annex 5; and

(d) The Company does not own any Trademarks registered in the United States of America to which the last sentence of the definition of Trademark Collateral applies.

#### Section 5. Covenants.

##### 5.01 Books and Records. The Company shall:

(a) keep full and accurate books and records relating to the Collateral and stamp or otherwise mark such books and records in such manner as Agent may reasonably require in order to reflect the Liens granted by this Agreement;

(b) furnish to Agent from time to time (but, unless any Event of Default shall have occurred and be continuing, no more frequently than quarterly) statements and schedules further identifying and describing the Copyright Collateral, the Patent Collateral and the Trademark Collateral and such other reports in connection with the Copyright Collateral, the Patent Collateral and the Trademark Collateral, as Agent may reasonably request, all in reasonable detail;

(c) prior to filing, either directly or through an agent, licensee or other designee, any application for any Copyright, Patent or Trademark, furnish to Agent prompt notice of such proposed filing; and

(d) permit representatives of Agent, upon reasonable notice, at any time during normal business hours to inspect and make abstracts from its books and records pertaining to the Collateral, permit representatives of Agent to be present at the Company's place of business to receive copies of all communications and remittances relating to the Collateral and forward copies of any notices or communications received by the Company with respect to the Collateral, all in such manner as Agent may request. The Company agrees to pay the reasonable cost of any such inspection conducted at any time that an Event of Default or event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default (up to a maximum amount of \$5,000 for any such inspection) which has occurred and is continuing.

5.02 Removals, Etc. Without at least 30 days' prior written notice to Agent, the Company shall not: (i) maintain any of its books and records with respect to the Collateral at any office or maintain its principal place of business at any place, or permit any Inventory or Equipment to be located anywhere, other than at the address initially indicated for notices to it under Section 7 or at one of the locations identified in Annex 6 or in transit from one of such locations to another; (ii) change its corporate name, or the name under which it does business, from the name shown on the signature pages to this Agreement.

5.03 Sales and Other Liens. The Company shall not dispose of any Collateral, create, incur, assume or suffer to exist any Lien upon any Collateral or file or suffer to be on file or authorize to be filed, in any jurisdiction, any financing statement or like instrument with respect to all or any part of the Collateral in which Agent is not named as the sole secured party for its own benefit.

5.04 [Intentionally left blank]

5.05 Intellectual Property.

(a) The Company (either itself or through licensees) will, for each Trademark, (i) to the extent consistent with past practice and good business judgment, continue to use such Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force and effect free from any claim of abandonment for nonuse, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) employ such Trademark with the appropriate notice of registration and (iv) not (and not permit any licensee or sublicensee to) do any act or knowingly omit to do any act whereby any Trademark material to the conduct of its business may become invalidated.

(b) The Company (either itself or through licensees) will not do any act or knowingly omit to do any act whereby any Patent material to the conduct of its business may become abandoned or dedicated.

(c) The Company shall notify Agent immediately if it knows or has reason to know that any Intellectual Property material to the conduct of its business may become abandoned or dedicated, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding before any Governmental Person) regarding the Company's ownership of any Intellectual Property material to its business, its right to copyright, patent or register the same (as the case may be), or its right to keep, use and maintain the same.

(d) The Company will take all necessary steps that are consistent with good business practices in any proceeding before any appropriate Governmental Person to maintain and pursue each application relating to any Intellectual Property (and to obtain the relevant registrations) and to maintain each registration material to the conduct of its business, including payment of maintenance fees, filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings.

(e) In the event that any Intellectual Property material to the conduct of its business is infringed, misappropriated or diluted by a third party, the Company shall notify Agent within (10) days after it learns of such event and shall, if consistent with good business practice, promptly sue for infringement, misappropriation or dilution, seek temporary restraints and preliminary injunctive relief to the extent practicable, seek to recover any and all damages for such infringement, misappropriation or dilution and take such other actions as are appropriate under the circumstances to protect such Collateral.

(f) The Company shall, through counsel acceptable to Agent, prosecute diligently any application for any Intellectual Property pending as of the date of this Agreement or thereafter made until the termination of this Agreement, make application on uncopyrighted but copyrightable material, unpatented but patentable inventions and unregistered but registerable Trademarks and preserve and maintain all rights in applications for any Intellectual Property; provided, however, that the Company shall have no obligation to make any such application if making such application would be unnecessary or imprudent in the good faith business judgment of the Company. Any expenses incurred in connection with such an application shall be borne by the Company. The Company shall not abandon any right to file an application for any Intellectual Property or any pending such application in the United States without the consent of Agent, which consent shall not be unreasonably withheld.

(g) Agent shall have the right but shall in no way be obligated to bring suit in its own name to enforce the Copyrights, Patents and Trademarks and any license under such Intellectual Property, in which event the Company shall, at the request of Agent, do any and all lawful acts and execute and deliver any and all proper documents required by Agent in aid of such enforcement action.

5.06 Further Assurances. The Company agrees that, from time to time upon the written request of Agent, the Company will execute and deliver such further documents and do such

other acts and things as Agent may reasonably request in order fully to effect the purposes of this Agreement.

**Section 6. Remedies.**

**6.01 Events of Default, Etc.** If any Event of Default shall have occurred:

(a) Agent in its discretion may require the Company to, and the Company shall, assemble the Collateral owned by it at such place or places, reasonably convenient to both Agent and the Company, designated in Agent's request;

(b) Agent in its discretion may make any reasonable compromise or settlement it deems desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, all or any part of the Collateral;

(c) Agent in its discretion may, in its name or in the name of the Company or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for all or any part of the Collateral, but shall be under no obligation to do so;

(d) Agent in its discretion may, upon ten business days prior written notice to the Company of the time and place, with respect to all or any part of the Collateral which shall then be or shall thereafter come into the possession, custody or control of Agent or any of its agents, sell, lease or otherwise dispose of all or any part of such Collateral, at such place or places as Agent deems best, for cash, for credit or for future delivery (without thereby assuming any credit risk) and at public or private sale, without demand of performance or notice of intention to effect any such disposition or of time or place of any such sale (except such notice as is required above or by applicable statute and cannot be waived), and Agent or any other person may be the purchaser, lessee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of the Company, any such demand, notice and right or equity being hereby expressly waived and released. In the event of any sale, license or other disposition of any of the Trademark Collateral, the goodwill connected with and symbolized by the Trademark Collateral subject to such disposition shall be included, and the Company shall supply to Agent or its designee, for inclusion in such sale, assignment or other disposition, all Intellectual Property relating to such Trademark Collateral. Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned; and

(e) Agent shall have, and in its discretion may exercise, all of the rights, remedies, powers and privileges with respect to the Collateral of a secured party under the Uniform

Commercial Code (whether or not the Uniform Commercial Code is in effect in the jurisdiction where such rights, remedies, powers and privileges are asserted) and such additional rights, remedies, powers and privileges to which a secured party is entitled under the laws in effect in any jurisdiction where any rights, remedies, powers and privileges in respect of this Agreement or the Collateral may be asserted, including the right, to the maximum extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if Agent were the sole and absolute owner of the Collateral (and the Company agrees to take all such action as may be appropriate to give effect to such right).

The proceeds of, and other realization upon, the Collateral by virtue of the exercise of remedies under this Section 6.01 and of the exercise of the license granted to Agent in Section 2.02 shall be applied in accordance with Section 6.04.

6.02 Deficiency. If the proceeds of, or other realization upon, the Collateral by virtue of the exercise of remedies under Section 6.01 and of the exercise of the license granted by Agent in Section 2.02 are insufficient to cover the costs and expenses of such exercise and the payment in full of the other Secured Obligations, the Company's shall remain liable for any deficiency.

6.03 Private Sale.

(a) Agent shall incur no liability as a result of the sale, lease or other disposition of all or any part of the Collateral at any private sale pursuant to Section 6.01 conducted in a commercially reasonable manner. The Company hereby waives any claims against Agent arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if Agent accepts the first offer received and does not offer the Collateral to more than one offeree.

(b) [Intentionally left blank]

6.04 Application of Proceeds. Except as otherwise expressly provided in this Agreement and except as provided below in this Section 6.04, the proceeds of, or other realization upon, all or any part of the Collateral by virtue of the exercise of remedies under Section 6.01 or of the exercise of the license granted in Section 2.02, and any other cash at the time held by Agent under Section 3 or this Section 6, shall be applied by Agent:

First, to the payment of the costs and expenses of such exercise of remedies, including reasonable out-of-pocket costs and expenses of Agent, the fees and expenses of its agents and counsel and all other expenses incurred and advances made by Agent in that connection;



Next, to the payment in full of the remaining Secured Obligations in such manner as Agent may determine; and

Finally, to the payment to the Company, or its respective successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining.

As used in this Section 6, "proceeds" of Collateral shall mean cash, securities and other property realized in respect of, and distributions in kind of, Collateral, including any property received under any bankruptcy, reorganization or other similar proceeding as to the Company or any issuer of, or account debtor or other obligor to the Company on, any of the Collateral.

#### Section 7. Miscellaneous.

7.01 Waiver. No failure on the part of Agent to exercise and no delay in exercising, and no course of dealing with respect to, any right, remedy, power or privilege under this Agreement shall operate as a waiver of such right, remedy, power or privilege, nor shall any single or partial exercise of any right, remedy, power or privilege under this Agreement preclude any other or further exercise of any such right, remedy, power or privilege or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges provided in this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

7.02 Notices. All notices and other communications provided for in this Agreement shall be in writing and delivered by registered or certified mail, postage prepaid, or delivered by overnight courier (for next Business Day delivery) or telecopied, addressed as follows, or at such other address as any of the parties hereto may hereafter designate by notice to the other parties given in accordance with this Section:

- 1) if to the Company:

Interlink Communications, Inc.  
2700 Post Oak Boulevard  
Suite 1000  
Attn: Todd M. Binet  
Telephone: (713) 968-0968  
Telecopier: (713) 968-0930

With a copy of any notice to:

Nida & Maloney, P.C.  
800 Anacapa Street  
Santa Barbara, California 93101  
Attn: C. Thomas Hopkins, Esq.  
Telephone: (805) 568-1151  
Telecopy: (805) 568-1955

2) if to Agent:

Cahill, Warnock & Company, LLC  
One South Street, Suite 2150  
Baltimore, MD 21202  
Attn: David Warnock  
Telephone: (410) 895-3810  
Telecopier: (410) 895-3805

With a copy of any notice to:

Hogan & Hartson  
555 13<sup>th</sup> Street, Suite 1300  
Washington, DC 20004  
Attn: Tim Lloyd, Esq.  
Telephone: (202) 637-8619  
Telecopier: (202) 637-5910

Any such notice or communication shall be deemed to have been duly given on the fifth day after being so mailed, the next Business Day after delivery by overnight courier, when received when sent by telecopy or upon receipt when delivered personally.

7.03 Expenses, Etc. The Company agrees to pay or to reimburse Agent for all reasonable costs and expenses (including reasonable attorney's fees and expenses) that may be incurred by Agent in any effort to enforce any of the provisions of Section 6 or any of the obligations of the Company in respect of the Collateral or in connection with (a) the preservation of the Lien of, or the rights of Agent under this Agreement or (b) any actual or attempted sale, lease, disposition, exchange, collection, compromise, settlement or other realization in respect of, or care of, the Collateral, including all such costs and expenses (and reasonable attorney's fees and expenses) incurred in any bankruptcy, reorganization, workout or other similar proceeding.

7.04 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same

instrument. Signatures may be exchanged by telecopy, with original signatures to follow. Each of the parties hereto agrees that it will be bound by its own telecopied signature and that it accepts the telecopied signatures of the other parties to this Agreement. The original signature pages shall be forwarded to Agent or its counsel and Agent or its counsel will provide all of the parties hereto with a copy of the entire Agreement.

7.05 Amendments. This Agreement may only be amended by a writing duly executed by the parties hereto.

7.06 Severability. If any term or provision of this Agreement or any other document executed in connection herewith shall be determined to be illegal or unenforceable, all other terms and provisions hereof and thereof shall nevertheless remain effective and shall be enforced to the fullest extent permitted by applicable law.

7.07 Governing Law; Submission to Process. EXCEPT TO THE EXTENT THAT THE LAW OF ANOTHER JURISDICTION IS EXPRESSLY SELECTED IN A DOCUMENT OR SECURITY, THIS AGREEMENT AND THE SECURITIES AND ALL AMENDMENTS, SUPPLEMENTS, WAIVERS AND CONSENTS RELATING HERETO OR THERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF MARYLAND WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. THE COMPANY HEREBY IRREVOCABLY SUBMITS ITSELF TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS SITTING IN THE STATE OF MARYLAND AND AGREES AND CONSENTS THAT SERVICE OF PROCESS MAY BE MADE UPON IT IN ANY LEGAL PROCEEDINGS RELATING HERETO BY ANY MEANS ALLOWED UNDER MARYLAND OR FEDERAL LAW. THE COMPANY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE COMPANY SHALL APPOINT AN AGENT FOR SERVICE OF PROCESS IN MARYLAND AND SHALL NOTIFY AGENT IN WRITING OF SUCH APPOINTMENT AND ANY FUTURE CHANGE THEREIN.

7.08 Entire Agreement. This Agreement contains the entire Agreement of the parties hereto with respect to the transactions contemplated hereby and supersedes all previous oral and written, and all previous contemporaneous oral negotiations, commitments and understandings.

7.09 Further Assurances. The Company agrees promptly to execute and deliver such documents and to take such other acts as are reasonably necessary to effectuate the purposes of this Agreement.

7.10 Headings. The headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

7.11 Waiver of Jury Trial. THE COMPANY AND AGENT EACH HEREBY AGREE TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE SECURITIES OR ANY OTHER AGREEMENTS RELATING TO THE SECURITIES OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, THE SECURITIES OR ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE SECURITIES.

7.12 Successor and Assigns; Assignment. This Agreement shall not be assignable by the Company. This Agreement may be assigned by the Agent to its successor as Agent pursuant to the provisions of the Securities Purchase Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

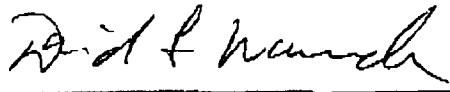
[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto execute this Agreement as of the date first set forth above.

**AGENT:**

**CAHILL, WARNOCK, STRATEGIC PARTNERS FUND, L.P.**, a Delaware limited partnership, as Agent

By: Cahill, Warnock, Strategic Partners, L.P.,  
its general partner

By:   
Name: David L. Warnock  
Title: General Partner

**THE COMPANY:**

**INTERLINK COMMUNICATIONS, INC.**,  
a Delaware corporation

By: \_\_\_\_\_  
Name: Mr. Todd Binet  
Title: Vice President

IN WITNESS WHEREOF, the parties hereto execute this Agreement as of the date first set forth above.

**AGENT:**

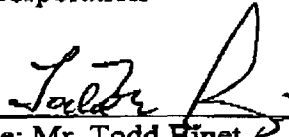
**CAHILL, WARNOCK, STRATEGIC PARTNERS FUND, L.P.**, a Delaware limited partnership, as Agent

By: Cahill, Warnock, Strategic Partners, L.P.,  
its general partner

By: \_\_\_\_\_  
Name: David L. Warnock  
Title: General Partner

**THE COMPANY:**

**INTERLINK COMMUNICATIONS, INC.**,  
a Delaware corporation

By:  \_\_\_\_\_  
Name: Mr. Todd Binet  
Title: Vice President

ANNEX 1

[INTENTIONALLY LEFT BLANK]

Annex 1 to Security Agreement

ANNEX 2

**LIST OF COPYRIGHTS, COPYRIGHT REGISTRATIONS AND APPLICATIONS FOR COPYRIGHT REGISTRATIONS**

<u>Title</u>	<u>Date Filed</u>	<u>Registration No.</u>	<u>Effective Date</u>
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NONE

Annex 2 to Security Agreement



**LIST OF PATENTS AND PATENT APPLICATIONS**

<u>File</u>	<u>Patent</u>	<u>Country</u>	<u>Registration No.</u>	<u>Date</u>
Satellite Communications Systems and Apparatus			32905	

Annex 3 to Security Agreement

**LIST OF TRADE NAMES, TRADEMARKS, SERVICES MARKS,  
TRADEMARK AND SERVICE MARK REGISTRATIONS AND  
APPLICATIONS FOR TRADEMARK AND SERVICE MARK REGISTRATIONS**

**U.S. Trademarks**

<u>Mark</u>	<u>Application (A) Registration (R) or Series No. (S)</u>	<u>Registration or Filing Date</u>
EQUASTAR	@1394371	5/20/86
EQUATORIAL	@1263498	1/10/84
EQUATORIAL and Design	@1228254	2/02/83
EQUATORIAL and Design	@1319036	2/12/85

Annex 4 to Security Agreement

Foreign Trademarks

<u>Mark</u>	<u>Application (A) Registration (R)</u>	<u>Country</u>	<u>Registration or Filing Date (F)</u>
NONE			

**ANNEX 5**

**LIST OF CONTRACTS, LICENSES AND OTHER AGREEMENTS**

NONE

Annex 5 to Security Agreement

ANNEX 5

**LIST OF LOCATIONS**

Interlink Communications, Inc. Headquarters  
1143 Borregas Avenue  
Sunnyvale, CA 94089

Interlink Communications, Inc. Teleport Facility  
300 Ferguson Drive  
Mountain View, CA 94043

Annex 6 to Security Agreement