02-17-2000

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MLC 1-28-00

LAW OFFICES OF CLAY LORINSKY
12424 Wilshire Blvd., Suite 1200
Los Angeles, CA 90025

Telephone (310) 207-4733 Facsimile (310) 207-4723

TRADEMARK COVER SHEET

The Honorable Commissioner of Patents & Trademarks
U.S. Department of Commerce
Patent & Trademark Office
Washington, D.C.

Please record the attached copy of the Security Agreement:

1. The conveying party is T2 Acquisition Corporation, a Minnesota corporation.

2. The receiving party is Coast Business Credit, a division of Southern Pacific Bank, a California corporation with offices at 12121 Wilshire Boulevard, Suite 1400, Los Angeles, California 90025.

3. The conveyance is a Security Agreement executed on December 10, 1999.

4. The Application numbers are as follows:

   A. Trademark Application Numbers - None.
   B. U.S. Trademark Registration Number - 1,988,974.

5. Please forward all correspondence concerning this documentation to the following:

   Clay Lorinsky, Esq.
   Law Offices of Clay Lorinsky
   12424 Wilshire Blvd., Suite 1200
   Los Angeles, CA 90025

6. There are no Applications and one (1) U.S. Registration involved in this request.

7. Please find enclosed a check in the total amount of Forty Dollars ($40.00) for the one recordation.

To the best of my knowledge and belief, the foregoing information is true and correct and the attached copy is a true and correct copy of the original document.

Clay Lorinsky January 19, 2000

There are fourteen (14) pages (including the Trademark Cover Sheet) in this request for recordation.

02/16/2000 DNGUYEN 00000287 1988974
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Fee OK

PATENT AND TRADEMARK SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (as may be amended from time to time, this "Agreement"), dated as of December 10, 1999, is entered into by and between T2 Acquisition Corporation, a Minnesota corporation ("Pledgor"), with offices at 6698 Shady Oak Road, Eden Prairie, Minnesota 55344 and COAST BUSINESS CREDIT, a division of Southern Pacific Bank, a California corporation ("Coast"), with offices at 12121 Wilshire Blvd., Ste. 1400, Los Angeles, California 90025, based on, inter alia, the following:

RECITALS

A. Virtual Technology Corporation, a Minnesota corporation ("VTC"), with offices at 3100 West Lake Street, Ste. 400, Minneapolis, Minnesota 55416, and GTI Acquisition Corporation, a Minnesota corporation ("GTI"), with offices at 7615 Golden Triangle Drive, Ste. G, Minneapolis, Minnesota 55344 entered into a Loan and Security Agreement dated as of February 11, 1999 ("Loan Agreement") in which VTC and GTI are referred to as "Borrower", pursuant to which Coast has and will be extending certain financial accommodations to Borrower.

B. The parties hereto are contemporaneously herewith amending the Loan Agreement to, inter alia, add Pledgor, a wholly owned subsidiary of VTC, jointly and severally as a "Borrower", pursuant to which Coast will continue extending certain financial accommodations to VTC, GTI and Pledgor.

C. Pledgor is the owner and/or assignee of certain intellectual property, identified below.

D. In order to induce Coast to amend the Loan Agreement and in consideration thereof, Pledgor has agreed to execute and deliver to Coast this Agreement, securing the payment of performance of the Secured Obligations as defined in Section 1 (a), below.

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:

AGREEMENT

1. Definitions and Construction.

(a) **Definitions.** All initially capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan and Security Agreement. In addition, the following terms as used in this Agreement, have the following meanings:

"Bankruptcy Code" means The Bankruptcy Reform Act of 1978 (Pub. L. No.95-598; 11 U.S.C. §§ 101-1330), as amended or supplemented from time to time, or any successor statute, and any and all rules and regulations issued or promulgated in connection

therewith.

"Code" means the California Uniform Commercial Code, as amended and supplemented from time to time, and any successor statute.

"Collateral" means:

(i) Each of the material trademarks and rights and interests which 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), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Pledgor, 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 material trademarks and trademark rights;

(ii) Each of the material 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 Pledgor, 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 Pledgor's right, title and interest, in and to the material patents and patent applications listed on Schedule A, attached hereto and incorporated herein by this reference, as the same may be updated hereafter from time to time;

(iv) All of Pledgor's right, title and interest, in and to the material trademarks and trademark registrations listed on Schedule B, attached hereto and incorporated herein by this reference, as the same may be updated hereafter from time to time;

(v) All of Pledgor's right, title and interest, in all material patentable inventions, and to file applications for patents under federal patent law or regulation of any foreign country, and to request re-examination and/or re-issue of the patents, the right (without obligation) to sue or bring interference proceedings in the name of Pledgor or in the name of Coast 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;

(vi) All of Pledgor's right, title and interest to register trademark claims under any state or federal trademark 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 Pledgor or in the name of Coast 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 and the associated goodwill;

(vii) All general intangibles relating to the foregoing; and

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(viii) All 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.

"Coast" shall have the meaning set forth in the introduction hereto.

"Event of Default" shall have the meaning set forth in Section 11below.

"Loan Agreement" means that certain Loan and Security Agreement, of even date herewith, entered into by and between Pledgor and Coast, as the same may be from time to time hereafter amended, extended, supplemented or modified, and together with any concurrent or subsequent exhibits or schedules thereto.

"Pledgor" shall have the meaning set forth in the introduction hereto.

"Secured Obligations" has the meaning of "Obligations" under the Loan and Security Agreement and also means the obligations of Pledgor hereunder.

(b) **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 and Security Agreement. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Coast or Pledgor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by Pledgor, Coast, and their respective counsel and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of Coast and Pledgor.

2. **Grant of Security Interest**. Pledgor hereby grants to Coast a first-priority security interest in, and conditionally assigns but does not transfer title to Coast, all of Pledgor's right, title and interest in and to the Collateral to secure the Obligations.

3. **Further Assurances**.

(a) Pledgor agrees that from time to time, at the expense of Pledgor, Pledgor will, subject to any prior licenses, encumbrances and restrictions and prospective licenses, encumbrances and restrictions permitted hereunder, promptly make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all instruments and documents, and take all further action, that may be necessary or desirable, or that Coast may reasonably request, in order to perfect and protect any security interest granted hereby or to enable Coast to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, Pledgor will: (i) at the request of Coast, mark conspicuously each of its records pertaining to the Collateral with a legend, in

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form and substance satisfactory to Coast, indicating that such Collateral is subject to the security interest granted hereby; (ii) execute and file such financing or continuation statements, or amendments thereto, and such other instrument or notices, as may be necessary or desirable, or as Coast may reasonably request, in order to perfect and preserve the security interests granted or purported to be granted hereby; (iii) at any reasonable time during normal business hours, upon demand by Coast, allow inspection of the Collateral by Coast, or persons designated by Coast; and (iv) appear in and defend any action or proceeding that may affect Pledgor's title to or Coast's security interest in the Collateral.

(b) Pledgor will furnish to Coast from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Coast may reasonably request.

4. Representations, Warranties and Covenants. Pledgor hereby represents, warrants, and covenants that:

(a) a true and complete schedule setting forth all material patent and patent applications owned or controlled by Pledgor or licensed to Pledgor, together with a summary description and full information with respect to the filing or issuance thereof and expiration dates is set forth on Schedule A;

(b) a true and complete schedule setting forth all material federal and state trademark registrations owned or controlled by Pledgor or licensed to Pledgor, together with a summary description and full information with respect to the filing or issuance thereof and expiration dates is set forth on Schedule B;

(c) each of the material patents, trademarks, and trademark registrations is valid and enforceable, and,Pledgor is not presently aware of any past, present, or prospective claim by any third party that any of the material patents or trademarks are invalid or unenforceable, or that the use of any of the material patents or trademarks violates the rights of any third person, or of any basis for any such claims;

(d) Pledgor is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the material patents, patent applications, trademarks, and trademark registrations, free and clear of any liens, charges, and encumbrances, including pledges, assignments, licenses, shop rights and covenants by Pledgor not to sue third persons; provided, that Pledgor may enter into licensing agreements of any of the patents in the ordinary course of Pledgor's business, so long as copies of such licensing agreements have first been delivered to Coast; provided, further, that Pledgor may assign any of the patents to a subsidiary of Pledgor upon notice to Coast and so long as such assignment conspicuously notes that it is made subject to the lien granted to Coast hereby;

(e) Pledgor has used and will continue to use proper statutory notice in connection with its use of each of the material patents and trademarks; and

(f) except for the filing of a financing statement with the Secretary of State of California, and filings with the United States Patent and Trademark Office necessary

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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 Pledgor of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Pledgor or for the perfection of or the exercise by Coast of its rights hereunder to the Collateral in the United States.

5. **After-Acquired Patent or Trademark Rights**.

(a) If Pledgor shall obtain rights to any new material patentable inventions or become entitled to the benefit of any material patent application or material patent for any reissue, divisional, or continuation, of any material patent, the provisions of this Agreement shall automatically apply thereto. Pledgor shall give prompt notice in writing to Coast with respect to any such new material patents, and shall immediately deliver to Coast an amended Schedule A. Pledgor shall bear any and all expenses incurred in connection with any future patent applications.

(b) If Pledgor shall obtain rights to any new material trademarks, the provisions of this Agreement shall automatically apply thereto. Pledgor shill give prompt notice in writing to Coast with respect to any such new material trademarks or renewal or extension of any material trademark registration, and shall immediately deliver to Coast an amended Schedule B. Pledgor shall bear any and all expenses incurred in connection with future applications for trademark registration.

6. **Indemnification**. Pledgor hereby agrees to indemnify, defend and hold Coast harmless from any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees and attorneys' fees incurred pursuant to the Bankruptcy Code) of any kind whatsoever that may be imposed on, incurred by or asserted against Coast in connection with, or in any way arising out of, any such suits, proceedings or other action concerning, or the defense of any such suits, proceedings or other actions, whether that claim is made by Pledgor or any other person, and for any damages and lost profits that may be awarded as a consequence of any such suits, proceedings or other actions, in which, with respect to all of the above, an allegation of the liability, strict or otherwise, of Pledgor is or may be made by any person who alleges or may allege having suffered damages as a consequence of alleged improper, imprudent, reckless, negligent, willful, faulty, defective or substandard design, testing, specification, manufacturing supervision, manufacturing defect, manufacturing deficiency, publicity or advertisement, or improper use, howsoever arising or by whomsoever caused, but nothing herein shall relieve Coast from liability from its own gross negligence or willful misconduct.

7. **Litigation and Proceedings**. Pledgor shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings, or other action for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Pledgor shall provide to Coast any information with respect thereto requested by Coast. Coast shall provide at Pledgor's expense all necessary cooperation in connection with any such suits, proceedings, or actions, including, without limitation, joining as a necessary party. Following Pledgor's becoming aware thereof, Pledgor shall notify Coast of the institution of, or any adverse determination in, any

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proceeding in the United States Patent and Trademark Office, or any United States, state, or foreign court regarding Pledgor's claim of ownership in any of the material patents or trademarks, its right to apply for the same, or its right to keep and maintain such patent or trademark rights.

8. **Power of Attorney**. Pledgor irrevocably grants Coast power of attorney, coupled with an interest, having the full authority, and in the place of Pledgor and in the name of Pledgor, from time to time following an Event of Default in Coast's discretion, to take any action and to execute any instrument which Coast may deem necessary or advisable to accomplish the purposes of this agreement provided Coast does so in the exercise of its reasonable good faith business judgment, including, without limitation, as may be subject to the provisions of this Agreement:

(a) to amend Schedule A and Schedule B upon Pledgor's failure to do so after Secured Party's request;

(b) to endorse Pledgor's name on all applications, documents, papers, and instruments necessary for Coast to use or maintain the Collateral;

(c) to 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;

(d) to file any claims or take any action or institute any proceedings that Coast may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce Coast's rights with respect to any of the Collateral and to assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person; and

(e) to file any such application, instrument or document as may be required by the United States Patent and Trademark Office in order to transfer the Collateral into the name of Coast or Coast's nominee.

9. **Right to Inspect**. Pledgor grants to Coast and its employees and agents the right to visit Pledgor's plants 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.

10. **Appraisals**. Upon the request of Coast after the occurrence of an Event of Default, Pledgor shall deliver to Coast an appraisal, issued by an appraiser of Coast's choice, of the domestic and international patents, patent applications, trademarks and trademark registrations and applications for all of the above. Pledgor shall disclose to the appraiser all information concerning such items as requested by the appraiser and all other information known to Pledgor that would have an effect on the value of any such items.

11. **Events of Default**. Any of the following events shall be an Event of Default:

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(a) an Event of Default shall occur as defined in the Loan and Security Agreement;

(b) any material representation or warranty made herein by Pledgor or in any document furnished to Coast by Pledgor under this Agreement is incorrect in any material respect when made or when reaffirmed; and

(c) Pledgor fails to observe or perform any covenant, condition, or agreement to be observed or performed pursuant to the terms hereof, and such failure materially, adversely affects the Collateral or Coast's rights and remedies with respect thereto or therein, as set forth herein or at law.

12. **Specific Remedies**. Upon the occurrence of any Event of Default, Coast shall have, in addition to, other rights given by law or in this Agreement, the Loan and Security 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:

(a) Coast may notify any licensees of the Collateral to make royalty payments directly to Coast;

(b) Coast may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Coast deems advisable. Pledgor shall file any such application, instrument or document as may be required by the United States Patent and Trademark Office in order to transfer the Collateral into the name of the Coast or Coast's nominee. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Pledgor five (5) days prior to such disposition. Pledgor shall be credited with the net proceeds of such sale only when they are actually received by Coast, and Pledgor 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, Coast 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;

(c) Coast 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 Coast at such sale; and

(d) Provided, however, Coast agrees that it shall not exercise any of its rights and remedies with respect to the Collateral described herein for a period of thirty (30) days following the date Coast commences enforcement of its rights and remedies under the Loan and Security Agreement. If during such thirty (30) day period, Pledgor shall pay in full to Coast, in immediately available funds, an amount equal to the then outstanding Secured Obligations, Coast shall release all of its security interests and liens upon the Collateral.

Coast acknowledges that its rights hereunder to bring infringement respect to the Collateral shall not arise until after the occurrence and during the continuance of an Event of Default.

13. **Indefeasible Payment**. The Obligations shall not be considered indefeasibly paid for purposes of this Agreement unless and until all payments to Coast are no longer subject to any right on the part of any Person, including Borrower, Borrower as a debtor in possession, or any trustee (whether appointed under the Bankruptcy Code or otherwise) of

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Borrower or any of Borrower's assets, to invalidate or set aside such payments or to seek to recoup the amount of such payments or any portion thereof or to declare same to be fraudulent or preferential. In the event that, for any reason, any portion of such payments to Coast is set aside or restored, whether voluntarily or involuntarily, after the making thereof then the obligation intended to be satisfied thereby shall be revived and continued in full force and effect as if said payment or payments had not been made.

14. General Provisions.

14.1 Effectiveness of This Agreement. This Agreement shall be effective when executed by Pledgor and accepted and executed by Coast.

14.2 Cumulative Remedies; No Prior Recourse to Collateral. The enumeration herein of Coast's rights and remedies is not intended to be exclusive, and such rights and remedies are in addition to and not by way of limitation of any other rights or remedies that Coast may have under the Code or other applicable law. Coast shall have the right, in its sole discretion, to determine which rights and remedies are to be exercised and in which order. The exercise of one right or remedy shall not preclude the exercise of any others, all of which shall be cumulative and are hereby expressly reserved.

14.3 No Implied Waivers. No act, failure, or delay by Coast shall constitute a waiver of any of its rights and remedies. No single or partial waiver by Coast of any provision of this Agreement or any other Loan Document, or of a breach or default hereunder or thereunder, or of any right or remedy which Coast may have, shall operate as a waiver of any other provision, breach, default, right, or remedy or of the same provision, breach, default, right, or remedy on a future occasion. No waiver by Coast shall affect its rights to require strict performance of this Agreement.

14.4 Severability. Should any provision of this Agreement be held by any court of competent jurisdiction to be void or unenforceable, such defect shall not affect the remainder of this Agreement, which shall continue in full force and effect.

14.5 Governing Law. This Agreement shall be deemed to have been made in the State of California and shall be governed by and interpreted in accordance with the laws of such state, except that no doctrine of choice of law shall be used to apply the laws of any other state or jurisdiction.

14.6 Jurisdiction and Venue. TO THE EXTENT PERMITTED BY LAW, THE PARTIES HERETO 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 THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA. EACH OF PLEDGOR AND COAST, TO THE EXTENT IT MAY LEGALLY DO SO, HEREBY WAIVES ANY RIGHT IT 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 AND STIPULATES THAT THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF LOS ANGELES, STATE OF

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CALIFORNIA, SHALL HAVE IN PERSONAM JURISDICTIONAND VENUE OVER IT FOR THE PURPOSE OF HEARING ANY SUCH DISPUTE, CONTROVERSY, OR PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT. TO THE EXTENT PERMITTED BY LAW, SERVICE OF PROCESS SUFFICIENT FOR PERSONAL JURISDICTION IN ANY ACTION AGAINST EACH OF PLEDGOR AND COAST MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ITS ADDRESS INDICATED IN THE PREAMBLE OF THIS AGREEMENT. EACH OF PLEDGOR AND COAST AGREES HAT ANY FINAL JUDGMENT RENDERED AGAINST IT IN ANY ACTION OR PROCEEDING SHALL BE CONCLUSIVE AS TO THE SUBJECT OF SUCH FINAL JUDGMENT AND MAY BE ENFORCED IN OTHER JURISDICTIONS IN ANY MANNER PROVIDED BY LAW.

14.7 Waiver of Trial by Jury. EACH OF PLEDGOR AND COAST, TO THE EXTENT IT MAY LEGALLY DO SO, HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, CAUSE OF ACTION, OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS AGREEMENT, OR IN ANY WAY CONNECTED WITH, OR RELATED TO, OR INCIDENTAL TO, THE DEALINGS OF THE PARTIES HERETO WITH RESPECT TO THIS AGREEMENT, OR THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND IRRESPECTIVE OF WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. TO THE EXTENT IT MAY LEGALLY DO SO, EACH OF PLEDGOR AND COAST HEREBY AGREES THAT ANY SUCH CLAIM, DEMAND, ACTION, CAUSE OF ACTION, OR PROCEEDING SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 14.7 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE OTHER PARTY OR PARTIES HERETO TO WAIVER OF ITS OR THEIR RIGHT TO TRIAL BY JURY.

14.8 Survival of Representations and Warranties. All of Pledgor's representations and warranties contained in this Agreement shall survive the execution, delivery, and acceptance thereof by the parties, notwithstanding any investigation by Coast or its agents.

14.9 Fees and Expenses. Pledgor shall pay to Coast on demand all costs and expenses that Coast pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement, and termination of this Agreement, including: (a) reasonable attorneys' and paralegals' fees and disbursements of counsel to Coast; (b) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien, patent and trademark 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 Pledgor under this Agreement that Pledgor fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) costs and expenses (including reasonable attorneys' and paralegals' 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

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to defend any claims made or threatened against Coast arising out of the transactions contemplated hereby (including preparations for the consultations concerning any such matters). The foregoing shall not be construed to limit any other provisions of this Agreement regarding costs and expenses to be paid by Pledgor. The parties agree that reasonable attorneys' and paralegals' 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 past judgment reasonable attorneys' and paralegals' fees and costs is intended to survive any judgment, and is not to be deemed merged into any judgment.

14.10 Notices. Except as otherwise provided herein, all notices, demands and requests that Pledgor or Coast are required or elect to give to the other shall be sent in accordance with Section 11.5 of the Loan and Security Agreement.

14.11 Binding Effect: Assignment. The provisions of this Agreement shall be binding upon and inure to the benefit of the respective representatives, successors and assigns of the parties hereto; provided, however, Pledgor may not assign this Agreement or delegate any of its duties hereunder without the prior written consent of Coast, and any such prohibited assignment shall be void.

14.12 Modification. This Agreement is intended by Pledgor and Coast to be the final, complete, and exclusive expression of the agreement between them respecting the subject matter hereof. This Agreement supersedes any and all prior oral or written agreements relating to the subject matter hereof. No modification, rescission, waiver, release, or amendment of any provision of this Agreement shall be made, except by a written agreement signed by Pledgor and a duly authorized officer of Coast.

14.13 Counterparts. This Agreement may be executed in any number of counterparts, and by Coast and Pledgor in separate counterparts, each of which shall be an original, but all of which shall together constitute one and the same agreement.

14.14 Captions. The captions contained in this Agreement are for convenience only, are without substantive meaning and should not be construed to modify, enlarge, or restrict any provision.

14.15 Termination By Coast. After termination of the Loan and Security Agreement and when Coast has received payment and performance in full of all Obligations, Coast shall execute and deliver to Pledgor a termination of all of the security interests granted by Pledgor hereunder pursuant to Section 9404 of the Code, at which time this Agreement shall terminate and be of no further force and effect, except for Pledgor's objections under Section 6 hereof, which shall survive the termination of this Agreement.

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Signatures to Patent and Trademark Security Agreement follow on separate page 10

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

T2 Acquisition Corporation

By: _____
Name: Gregory Appelhof
Title: President and Chief Executive Officer

And by: _____
Name: John L. Harvatine
Title: Chief Financial Officer, Secretary and Treasurer

Coast Business Credit, a division of Southern Pacific Bank

By: _____
Name: R Britton Terrell
Title: Vice President

Signature Page to Patent and Trademark Security Agreement

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SCHEDULE A

U.S. PATENTS

Patent Description/Title	Date Granted/Filed	Patent No.	Inventor

NONE

PENDING U.S. PATENTS

Patent Description/Title	Date Filed	Reference No.

NONE

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SCHEDULE B

REGISTERED TRADEMARKS

Trademark	Registration Date	Registration No.
Tech Squared	July 23, 1996	1,988,974

PENDING TRADEMARKS

Trademark	Serial No.	Filing Date

NONE

COMMON LAW TRADEMARKS

DTP Direct logo

Net Direct logo

T2 logo

RECORDED: 01/28/2000

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