

U.S. DEPARTMENT OF COMMERCE

**RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY**

Patent and Trademark Office  
Docket No. 42578000003

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

1. Name of conveying party(ies):  
**VIDIMEDIX CORPORATION**  
  
 Individual(s)           Association  
 General Partnership    Limited Partnership  
 Corporation-State: TEXAS    Other:  
  
Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies):  
  
Name: WINDAMERE, LLC  
Internal Address:  
Street Address: 12230 EL CAMINO REAL, SUITE 300  
City: SAN DIEGO State: CALIFORNIA ZIP: 92130  
  
 Individual(s) citizenship: \_\_\_\_\_  
 Association: \_\_\_\_\_  
 General Partnership: \_\_\_\_\_  
 Limited Partnership: \_\_\_\_\_  
 Corporation-State: \_\_\_\_\_  
 Other: DELAWARE LIMITED LIABILITY COMPANY  
  
Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:  
  
 Assignment                                   Merger  
 Security Agreement                           Change of Name  
 Other:  
  
Execution Date: MAY 2, 2000

4.A. Trademark Application No.(s)  
  
Additional numbers attached? \* Yes  No

B. Registration No (s)  
  
**2,305,244**  
**2,293,982**

5. Name and address of party to whom correspondence concerning document should be mailed:  
  
**CHARLOTTE Y. CHEN**  
**MORRISON & FOERSTER LLP**  
**555 WEST FIFTH STREET**  
**SUITE 3500**  
**LOS ANGELES, CALIFORNIA 90013-1024**

6. Total number of applications and trademark registrations involved: **2**  
  
7. Total fee (37 C.F.R. § 3.41): \$65.00  
  
 Enclosed  
 Authorized to be charged to deposit account, referencing Attorney Docket **42578000003**  
  
8. Deposit account number: **03-1952**

The Commissioner is hereby authorized to charge any fees under 37 C.F.R. § 1.21 which may be required by this paper, or to credit any overpayment to Deposit Account No. 03-1952.

**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.  
  
Name: **ROBERT CERPA**  
Registration No.: **39,933**

*[Signature]*    5/18/00  
Signature    Date

Total number of pages comprising cover sheet, attachments and document: **26**

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

## SECURITY AGREEMENT

This Security Agreement (this "*Agreement*") is made and entered into effective as of May 2, 2000 (the "*Effective Date*") by and between VidiMedix Corporation, a Texas corporation ("*Borrower*"), and Windamere, LLC, a Delaware limited liability company ("*Lender*").

### RECITALS

A. Borrower has borrowed the principal amount of \$150,000 from Lender pursuant to the terms of a certain Secured Convertible Promissory Note of Borrower to Lender dated of even date herewith (the "*Note*").

B. The parties have agreed that Borrower's obligations under the Note, and under any other notes hereafter issued by Borrower to Lender, will be secured by Borrower's grant to Lender of a security interest in and to the Collateral (as defined below), pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of loans made or to be made by Lender under the Note and the parties' agreements herein, and for other good and valuable consideration, the parties hereby agree as follows:

1. **Security.** The payment and performance of Borrower's obligations under the Note and under this Agreement (hereinafter collectively referred to as the "*Obligations*") will at all times be secured as follows:

(a) **Grant of Security Interest.** As security for the due performance and payment of the Obligations, Borrower hereby grants to Lender a security interest in the "Collateral" as defined in Section 1(b). Such security interest shall be subject to the Subordination Agreement dated of even date herewith between Silicon Valley Bank and Lender (the "*Subordination Agreement*"), a copy of which is attached hereto as Exhibit D.

(b) **Collateral Defined.** As used in this Agreement, the term "*Collateral*" means, collectively, the assets described in Exhibit A attached hereto that are located at the place(s) set forth in Exhibit B (the "*Collateral Location(s)*"), as applicable, and all proceeds thereof.

(c) **Financing Statements and Other Filings.** So long as Borrower is indebted to Lender for the performance of any Obligations, Borrower will promptly execute and deliver to Lender such assignments, notices, financing statements, or other documents and papers (including, but not limited to, such documents as may be filed with the U.S. Register of Copyrights and the U.S. Patent and Trademark Office in order to perfect Lender's rights in Borrower's patents, registered trademarks, registered copyrights and applications therefor as well as copyright registrations relating to the Collateral) as Lender may reasonably require in order to perfect and maintain the security interest in the Collateral granted to Lender hereby and to give any third party notice of Lender's interest in the Collateral. Borrower will pay to Lender all reasonable expenses incurred by Lender in filing such assignments, notices, financing statements

or other documents or papers (and any continuation statements or amendments thereto) upon the full and final discharge of all of Borrower's Obligations. Lender will execute and deliver such documents as may be reasonably necessary and requested by Borrower to release the Collateral from the security interest granted to Lender in this Agreement.

2. **Representations and Warranties of Borrower.** Borrower represents and warrants to Lender that:

(a) **Authority.** Borrower has all right, power and authority necessary to make, enter into and perform its obligations under this Agreement and to grant Lender the security interest in the Collateral granted in Section 1 above, without the need for the consent or approval of any other person or entity. Borrower has taken all necessary action to make this Agreement the legal, valid, binding and enforceable obligation of Borrower. Borrower's board of directors and, if necessary, shareholders have taken all necessary action and given all approvals and consents necessary for Borrower to enter into the Note and this Agreement, and to perform all Borrower's obligations under the Note and this Agreement.

(b) **No Legal Obstacle to Agreement.** Neither the execution and delivery of this Agreement nor the consummation of any transaction contemplated hereby, nor the fulfillment of the terms of this Agreement or of any other agreement or instrument referred to herein, has constituted or resulted in, or will constitute or result in, a breach of the provisions of any instrument, contract or agreement to which Borrower is a party or by which Borrower and/or the Collateral is bound, or the violation of any law, judgment, decree or governmental or administrative order, rule or regulation applicable to Borrower, or has resulted in or will result in the creation of any lien or claim upon any of the Collateral. No consent of any other person (including without limitation any shareholder or creditor of Borrower) is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement.

(c) **Location; Title; No Liens or Claims in Collateral.** Borrower's principal place of business is 1250 Capital of Texas Highway South, Building Two, Suite 540, Austin, Texas 78746. Borrower owns all right, title and interest in and to the Collateral and except as expressly set forth in Exhibit C attached hereto, no other person or entity has any right, title or interest in or to the Collateral, except for statutory liens for the payment of current taxes that are not yet delinquent. Any disclosures made in Exhibit C shall be deemed to constitute representations of Borrower made under this Agreement as if set forth in this Section 2. Exhibit C sets forth the extent of any amounts due from Borrower to lenders that are secured by any or all of the Collateral. Except as expressly set forth in Exhibit C, all of the Collateral is (and until the Note has been paid in full and all the Obligations are fully satisfied will be) free and clear of all liens, security interests, mortgages, claims, rights, encumbrances and restrictions of any kind except for statutory tax liens and the security interest granted to Lender under this Agreement.

(d) **No Bankruptcy.** Borrower is not subject to any bankruptcy case or insolvency proceedings before any court in any jurisdiction. In the ninety (90) days preceding the effective date hereof, Borrower has not received any threat from any third party to subject Borrower to any involuntary bankruptcy or insolvency proceeding.

3. **Covenants of Borrower.** Borrower hereby covenants and agrees with Lender as follows:

(a) **Taxes.** Borrower will pay promptly all taxes, assessments, charges and encumbrances due and owing by Borrower at such time as they become due. Borrower will keep the Collateral in good condition and repair continuously for so long as Borrower has Obligations to Lender under the Note and/or this Agreement.

(b) **Maintenance of Records.** Borrower will keep and maintain at its own cost and expense satisfactory and complete records of the Collateral belonging to it. For Lender's further security, Lender will have a security interest in all of the books and records of Borrower pertaining to the Collateral.

(c) **Notice to Account Debtors.** Upon the request of Lender at any time after the occurrence and during the continuance of an Event of Default (as that term is defined in the Note), Borrower shall notify account debtors on all Borrower's accounts that such accounts have been assigned to Lender and that payments in respect thereof shall be made directly to Lender.

(d) **Moving of Collateral.** Borrower will not move or relocate any Collateral with a value greater than Twenty Five Thousand Dollars (\$25,000) that remains owned by Borrower (other than Collateral that is sold, leased or otherwise transferred by Borrower in a bona fide transaction for value) to any location outside the State of Texas without Lender's prior written consent, which may be withheld in Lender's sole discretion, and Borrower will only move or relocate any Collateral that remains owned by Borrower (other than any Collateral that is sold, leased or otherwise transferred by Borrower in a bona fide transaction for value) to any location outside the State of Texas provided that: (i) Borrower shall have caused to be filed and/or delivered to Lender all Uniform Commercial Code financing statements, certificates or other documents or instruments necessary to continue in effect the prior perfected security interest of Lender in the Collateral; and (ii) shall have given Lender no less than fifteen (15) business days prior written notice of such movement or relocation. Any notice provided by Borrower relating to the movement of Collateral shall indicate in detail the description of the Collateral to be moved or relocated and the location(s) and address(es) to which such Collateral is to be moved.

(e) **Sale of Collateral.** Borrower will not, without Lender's prior written consent, which may be withheld in Lender's sole discretion: (i) sell, lease, assign, transfer or otherwise dispose of the Collateral, any part thereof or any interest therein, or any of Borrower's rights therein, to any person, entity or party other than Lender, except for (A) sales of inventory in the ordinary course of business, (B) the grant of licenses in the ordinary course of business or (C) the disposition in the ordinary course of business of any item of equipment that has become worn-out or obsolete.

(f) **No Additional Borrowing.** Until the Note has been paid in full and all the Obligations are fully satisfied and subject to the terms of the Note, Borrower will not, without Lender's prior written consent, which may be withheld in Lender's sole discretion, borrow any additional amounts, or further encumber any or all of the Collateral, under any

existing or future agreements, excluding, for the avoidance of doubt, trade debt incurred in the ordinary course of business.

4. **Lender's Rights and Remedies Upon Event of Default.**

(a) **General Remedies.** Subject to the existing rights of any secured creditor of Borrower as of the date of this Agreement that is disclosed in Exhibit C, in the event of an occurrence of any Event of Default, in addition to exercising any other rights or remedies Lender may have under the Note, at law or in equity, or pursuant to the provisions of the Texas Uniform Commercial Code, Lender may, at its option, and without demand first made, exercise any one or all of the following rights and remedies: (i) collect the Collateral and its proceeds; (ii) take possession of the Collateral wherever it may be found, using all reasonable means to do so, or require Borrower to assemble the Collateral and make it available to Lender at a place designated by Lender which is reasonably convenient to Borrower; (iii) proceed with the foreclosure of the security interest in the Collateral granted herein and the sale or endorsement and collection of the proceeds of the Collateral in any manner permitted by law or provided for herein; (iv) sell, lease or otherwise dispose of the Collateral at public or private sale, with or without having the Collateral at the place of sale; (v) institute a suit or other action against Borrower for recovery on the Note; (vi) exercise any rights and remedies of a secured party under the Texas Uniform Commercial Code; and/or (vii) offset, against any payment due from Borrower to Lender, the whole or any part of any indebtedness of Lender to Borrower.

(b) **No Election of Remedies.** The election by Lender of any right or remedy will not prevent Lender from exercising any other right or remedy against Borrower.

(c) **Proceeds.** If an Event of Default occurs, all proceeds and payments with respect to the Collateral will be retained by Lender (or if received by Borrower will be held in trust and will be forthwith delivered by Borrower to Lender in the original form received, endorsed in blank) and held by Lender as part of the Collateral or applied by Lender to the payment of the Obligations.

(d) **Sales of Collateral.** Any item of Collateral may be sold for cash or other value at public or private sale or other disposition and the proceeds thereof collected by or for Lender. Borrower agrees to promptly execute and deliver, or promptly cause to be executed and delivered, such instruments, documents, assignments, waivers, certificates and affidavits and supply or cause to be supplied such further information and take such further action as Lender may require in connection with any such sale or disposition. Lender will have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Borrower, which right or equity is hereby waived or released. If any notice of a proposed sale, lease, license or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten (10) business days before such sale, lease, license or other disposition. Lender agrees to give Borrower ten (10) business days prior written notice of any sale, lease, license or other disposition of Collateral (or any part thereof) by Lender.

(e) **Application of Proceeds.** The proceeds of all sales and collections in respect of the Collateral, the application of which is not otherwise specifically herein provided for, will be applied as follows: (i) first to the payment of the costs and expenses of such sale or sales and collections and the attorneys' fees and out-of-pocket expenses incurred by Lender relating to costs of collection; (ii) second, any surplus then remaining will be applied first, to the payment of all unpaid interest accrued under the Note, and then to the payment of unpaid principal under the Note; and (iii) third, any surplus then remaining will be paid to Borrower.

5. **Notices.** Any notice required or permitted hereunder will be given in writing and will be deemed effectively given upon personal delivery, three (3) business days after deposit in the United States mail by first class mail, one (1) business day after its deposit with any express courier (prepaid), or one (1) business day after transmission by telecopier, in each case addressed to the other party at such party's address (or facsimile number, in the case of transmission by telecopier) as shown below its signature to this Agreement, or to such other address as such party may designate in writing from time to time to the other party.

6. **Jurisdiction; Venue.** The parties agree that any dispute regarding the interpretation or validity of, or otherwise arising out of this Agreement, shall be subject to the exclusive jurisdiction of the California State Courts in and for San Diego County, California or, in the event of federal jurisdiction, the United States District Court for the Southern District of California sitting in San Diego County, California each party hereby agrees to submit to the personal and exclusive jurisdiction and venue of such courts and not to seek the transfer of any case or proceeding out of such courts.

7. **Termination.** When all Obligations have been paid and performed in full and discharged, this Agreement and the security interest granted to Lender under this Agreement will terminate.

8. **Amendments and Waivers.** No amendment or modification of this Agreement may be made or be effective unless and until it is set forth in writing and signed by all parties hereto. No waiver of any right under this Agreement will be effective unless expressly set forth in a writing signed by each party against whom such waiver is asserted. No course of dealing between the parties will operate as a waiver of any party's rights under this Agreement. A waiver on any one occasion will not be construed as a bar to or waiver of any right or remedy on any future occasion. Borrower acknowledges that the giving by Lender of any notice or information to Borrower, or the securing of any consent by Borrower, not required by the express terms hereof to be given or secured, will not by implication constitute an amendment to or waiver or modification of any provision hereof, or impose upon Lender any duty to give any such notice or information or to secure any such consent on any future occasion.

9. **Attorneys' Fees.** If any party hereto commences or maintains any action at law or in equity (including counterclaims or cross-complaints) against the other party hereto by reason of the breach or claimed breach of any term or provision of this Agreement, then the prevailing party in said action will be entitled to recover its reasonable attorneys' fees and court costs incurred therein.

10. Successors and Assigns. The provisions of this Agreement will inure to the benefit of, and be binding on, each party's respective heirs, successors and assigns.

11. Miscellaneous. The invalidity or unenforceability of any term or provision of this Agreement will not affect the validity or enforceability of any other term or provision hereof. The headings in this Agreement are for convenience of reference only and will not alter or otherwise affect the meaning of this Agreement. This Agreement and the Note and the exhibits thereto constitute the entire agreement and understanding of the parties regarding the subject matter hereof and supersede any and all prior understandings and agreements between the parties with respect to such subject matter.

12. Governing Law. This Agreement will be governed by and construed exclusively in accordance with the internal laws of the State of California, without reference to that body of law relating to conflict of laws or choice of law.

13. Execution in Counterparts. This Agreement may be executed in any number of counterparts, which together will constitute one instrument.

**BORROWER**  
**VIDIMEDIX CORPORATION**

By:   
Philip W. Faris, Jr., President & CEO

Address: 1250 Capital of Texas Highway  
South  
Building Two, Suite 540  
Austin, Texas 78746

Facsimile: (512) 485-1349

**LENDER**  
**WINDAMERE, LLC**

By:   
Scott Glenn, Member

Address: 12230 El Camino Real  
Suite 300  
San Diego, California 92130

Facsimile: (619) 350-7951

**[The remainder of this page has been intentionally left blank]**

**EXHIBIT A****DESCRIPTION OF COLLATERAL**

The Collateral shall consist of all now existing and hereafter arising right, title and interest of Borrower in each of the following items (as defined in Chapter 9 of the Texas Uniform Commercial Code in effect on the date of the Agreement to which this is Exhibit A (the "*Agreement*")) both as of the date of the Agreement and as hereafter acquired by Borrower (as defined in the Agreement):

- (a) All present and future accounts, and other rights of Borrower to the payment of money, no matter how evidenced, all chattel paper, instruments, contracts and other writings evidencing any such right, and all goods repossessed or returned in connection therewith;
- (b) All inventory of Borrower, now owned or hereafter acquired, and all raw materials, work in process, materials used or consumed in Borrower's business and finished goods, together with all additions and accessions thereto and replacements therefor, and products thereof;
- (c) All equipment of Borrower, now owned or hereafter acquired, including, without limitation, all machinery, tools, dies, blueprints, catalogues, computer hardware and software, furniture, furnishings and fixtures;
- (d) All documents and instruments of Borrower, now owned or hereafter acquired;
- (e) All now existing or hereafter acquired general intangibles of every nature, including, without limitation, all permits, regulatory approvals, copyrights, patents, trademarks, service marks, trade names, good will, licenses, all technology and software source code, object code and "know how" and all other intellectual property, and all applications therefor, owned by Borrower or used in Borrower's business;
- (f) All deposit accounts, now existing or hereafter arising, maintained in Borrower's name with any financial institution and any and all funds at any time held therein;
- (g) All now existing and hereafter acquired books and records relating to the foregoing Collateral and all equipment containing such books and records (including, without limitation, computer data and storage media);
- (h) All investment property; and
- (i) All products and all proceeds of the foregoing Collateral.



**EXHIBIT B**

**LOCATION(S) OF COLLATERAL**

Location 1 – 1250 Capital of Texas Highway So., Building II, Suite 540, Austin, TX  
78746

Location 2 – 3931 Sorrento Valley Blvd., San Diego, CA 92121

Note:

Each of the company's outside sales personnel, project managers, education and installation personnel are equipped with notebook computers under various equipment leasing agreements. The Company maintains serial number descriptions of all such assets in the personnel file of the effected employees.

**EXHIBIT C**

**SCHEDULE OF EXCEPTION(S) TO SECTION 2(c)**

(SEE ATTACHED)

From: "LEXIS /NEXIS Print Delivery" <lexis-nexis@prod.lexis-nexis.com>  
 To: <mmurchison@fulbright.com>  
 Date: 5/2/00 2:17PM  
 Subject: LEXIS(R)-NEXIS(R) Email Request (40:0:8985520)

PAGE 1

1 of 15 DOCUMENTS

\*\*\* THIS DATA IS FOR INFORMATION PURPOSES ONLY. CERTIFICATION CAN ONLY BE OBTAINED FROM THE OFFICE OF THE TEXAS SECRETARY OF STATE \*\*\*

TEXAS SECRETARY OF STATE, UCC RECORD

ACTIVE DEBTORS: VIDIMEDIX CORPORATION [Business]  
 1250 CAPITAL OF TEXAS HWY SO 11 45  
 AUSTIN, TEXAS 78746

ACTIVE SECURED PARTY: FIRST SIERRA FINANCIAL, INC.  
 600 TRAVIS ST STE 4750  
 HOUSTON, TEXAS 77002

TYPE: FINANCING STATEMENT

STATUS: ACTIVE AS OF: 06/01/1999

FILING-DATE: 06/01/1999

FILING-TIME: 8:00 AM Central Time

EXPIRATION: 06/01/2004

FILING-NUMBER: 9900109948

NUMBER OF PAGES ATTACHED TO FILING: 25

ENTER LEXDOC OR CALL 1-800-634-9738 TO ORDER COPIES OF THE ORIGINAL FILINGS

2 of 15 DOCUMENTS

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TEXAS SECRETARY OF STATE, UCC RECORD

ACTIVE DEBTORS: VIDIMEDIX CORPORATION [Business]  
 1250 CAP OF TX HWY STE 540  
 AUSTIN, TEXAS 78746

ACTIVE SECURED PARTY: US BANK OF WA, NA

1420 5TH AVE  
SEATTLE, WASHINGTON 98101

TYPE: FINANCING STATEMENT

STATUS: ACTIVE AS OF: 03/14/2000

FILING-DATE: 03/14/2000

PAGE 2

TEXAS SECRETARY OF STATE, UCC RECORD

FILING-TIME: 8:00 AM Central Time

EXPIRATION: 03/14/2005

FILING-NUMBER: 0000452889

NUMBER OF PAGES ATTACHED TO FILING: 6

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TEXAS SECRETARY OF STATE, UCC RECORD

ACTIVE DEBTORS: VIDIMEDIX CORPORATION (Business)  
1250 CAPITAL OF TEXAS HWY SOUTH  
AUSTIN, TEXAS 78746

ACTIVE SECURED PARTY: SILICON VALLEY BANK  
9020 CAPITAL OF TEXAS HWY N STE 350  
AUSTIN, TEXAS 78759

TYPE: FINANCING STATEMENT

STATUS: ACTIVE AS OF: 12/02/1999

FILING-DATE: 12/02/1999

FILING-TIME: 8:00 AM Central Time

EXPIRATION: 12/02/2004

FILING-NUMBER: 9900239730

NUMBER OF PAGES ATTACHED TO FILING: 3

HISTORY:

FILING DATE	FILING TIME	TRANSACTION TYPE	NUMBER
03/31/2000	11:54 AM	AMENDMENT	0000786573

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TEXAS SECRETARY OF STATE, UCC RECORD

ACTIVE DEBTORS: VIDIMEDIX CORPORATION [Business]  
 1250 S CAPITOL OF TEXAS HWY  
 AUSTIN, TEXAS 78746

ACTIVE SECURED PARTY: ADVANTA BANK CORP.  
 P O BOX 1228  
 VOORHEES, NEW JERSEY 08043-7228

TYPE: FINANCING STATEMENT

STATUS: ACTIVE AS OF: 04/12/2000

FILING-DATE: 04/12/2000

FILING-TIME: 8:00 AM Central Time

EXPIRATION: 04/12/2005

FILING-NUMBER: 0000473753

NUMBER OF PAGES ATTACHED TO FILING: 2

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TEXAS SECRETARY OF STATE, UCC RECORD

ACTIVE DEBTORS: VIDIMEDIX CORPORATION [Business]

1250 CAPITOL OF TEXAS HWY S #540  
AUSTIN, TEXAS 78701

BLANK BLANK DEBTORDBAP [Personal]  
1250 CAPITOL OF TEXAS HWY S #540  
AUSTIN, TEXAS 78701

BLANK BLANK DEBTORDBAP [Personal]  
BLANK  
BLANK, FOREIGN COUNTRY

ACTIVE SECURED PARTY: NEWCOURT FINANCIAL USA INC.  
111 ANZA BLVD STE 200  
BURLINGAME, CALIFORNIA 94010

TYPE: FINANCING STATEMENT

PAGE 4

TEXAS SECRETARY OF STATE, UCC RECORD

STATUS: ACTIVE AS OF: 12/29/1997

FILING-DATE: 12/29/1997

FILING-TIME: 8:00 AM Central Time

EXPIRATION: 12/29/2002

FILING-NUMBER: 9700260898

NUMBER OF PAGES ATTACHED TO FILING: 1

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TEXAS SECRETARY OF STATE, UCC RECORD

ACTIVE DEBTORS: VIDIMEDIX CORPORATION [Business]  
1250 CAPITAL OF TX HWY S BLDG 11 STE 540  
AUSTIN, TEXAS 78746

VIDIMEDIX CORPORATION [Business]  
3931 SORRENTO VALLEY BLVD  
SAN DIEGO, CALIFORNIA 92121  
LAST CHANGE: 06/29/1998

ACTIVE SECURED PARTY: BANKVEST CAPITAL CORP.  
200 NICKERSON RD

MARLBORO, MASSACHUSETTS 01752  
LAST CHANGE: 06/29/1998

FORMER SECURED PARTY: ROCKFORD INDUSTRIES, INC.  
1851 E FIRST ST STE 600  
SANTA ANA, CALIFORNIA 92705  
LAST CHANGE: 05/26/1998

CHASE BANK OF TEXAS, N.A. NATIONAL ASSOC., AS  
TRUSTEE  
600 TRAVIS STREET #800  
HOUSTON, TEXAS 77002  
LAST CHANGE: 06/29/1998

TYPE: FINANCING STATEMENT

STATUS: ACTIVE AS OF: 05/11/1998

FILING-DATE: 05/11/1998

FILING-TIME: 8:00 AM Central Time

PAGE 5  
TEXAS SECRETARY OF STATE, UCC RECORD

EXPIRATION: 05/11/2003

FILING-NUMBER: 9800096023

NUMBER OF PAGES ATTACHED TO FILING: 1

HISTORY:

FILING DATE	FILING TIME	TRANSACTION TYPE	NUMBER
01/11/1999	1:19 PM	AMENDMENT	9900604847
06/29/1998	8:00 AM	ASSIGNMENT	9800881812
06/29/1998	8:00 AM	ADDED DEBTOR	9800681811
05/25/1998	8:00 AM	ASSIGNMENT	9800666396

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TEXAS SECRETARY OF STATE, UCC RECORD

ACTIVE DEBTORS: VIDIMEDIX CORPORATION [Business]  
1250 CAPITAL OF TX HWY 8LD II STE 540

AUSTIN, TEXAS 78746

ACTIVE SECURED PARTY: IKON OFFICE SOLUTIONS  
2090 WOODWARD  
AUSTIN, TEXAS 78744

TYPE: FINANCING STATEMENT

STATUS: ACTIVE AS OF: 05/20/1998

FILING-DATE: 05/20/1998

FILING-TIME: 8:00 AM Central Time

EXPIRATION: 05/20/2003

FILING-NUMBER: 9800103556

NUMBER OF PAGES ATTACHED TO FILING: 1

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TEXAS SECRETARY OF STATE, UCC RECORD

ACTIVE DEBTORS: VIDIMEDIX CORPORAITON [Business]  
1250 CAPITAL OF TEXAS HWY S  
AUSTIN, TEXAS 78746

ACTIVE SECURED PARTY: NORWEST EQUIPMENT FINANCE INC  
733 MARQUETTE AVE STE 300  
MINNEAPOLIS, MINNESOTA 55479  
LAST CHANGE: 07/08/1998

FORMER SECURED PARTY: ROCKFORD INDUSTRIES, INC.  
1851 E FIRST ST STE 600  
SANTA ANA, CALIFORNIA 92705  
LAST CHANGE: 07/08/1998

TYPE: FINANCING STATEMENT

STATUS: ACTIVE AS OF: 06/10/1998

FILING-DATE: 08/10/1998



FILING-TIME: 8:00 AM Central Time

EXPIRATION: 08/10/2003

FILING-NUMBER: 9800118652

NUMBER OF PAGES ATTACHED TO FILING: 25

## HISTORY:

FILING DATE	FILING TIME	TRANSACTION TYPE	NUMBER
07/08/1998	8:00 AM	ASSIGNMENT	9800685128

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## TEXAS SECRETARY OF STATE, UCC RECORD

ACTIVE DEBTORS: VIDIMEDIX CORPORATION [Business]  
 1250 CAPITAL OF TEXAS HWY SOUTH  
 AUSTIN, TEXAS 78746

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## TEXAS SECRETARY OF STATE, UCC RECORD

ACTIVE SECURED PARTY: ADVANTA BUSINESS SERVICES  
 1020 LAUREL OAK RD  
 VOORHEES, NEW JERSEY 08043  
 LAST CHANGE: 08/04/1998

FORMER SECURED PARTY: ROCKFORD INDUSTRIES, INC.  
 1851 E FIRST STREET SUITE 600  
 SANTA ANA, CALIFORNIA 92705  
 LAST CHANGE: 08/04/1998

TYPE: FINANCING STATEMENT

STATUS: ACTIVE AS OF: 07/10/1998

FILING-DATE: 07/10/1998

FILING-TIME: 8:00 AM Central Time

EXPIRATION: 07/10/2003

FILING-NUMBER: 9800140571

NUMBER OF PAGES ATTACHED TO FILING: 3

HISTORY:

FILING DATE	FILING TIME	TRANSACTION TYPE	NUMBER
08/04/1998	8:00 AM	ASSIGNMENT	9800697235

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TEXAS SECRETARY OF STATE, UCC RECORD

ACTIVE DEBTORS: VIDIMEDIX CORPORATION [Business]  
1250 CAPITAL OF TX HWY BLDG II STE 540  
AUSTIN, TEXAS 78746

ACTIVE SECURED PARTY: SILICON VALLEY BANK/SILICON VALLEY FINANCIAL SERVICES  
3003 TASMAN DR MAIL SORT NC481  
SANTA CLARA, CALIFORNIA 95054

TYPE: FINANCING STATEMENT

STATUS: ACTIVE AS OF: 01/11/1999

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TEXAS SECRETARY OF STATE, UCC RECORD

FILING-DATE: 01/11/1999

FILING-TIME: 1:18 PM Central Time

EXPIRATION: 01/11/2004

FILING-NUMBER: 9900004919

NUMBER OF PAGES ATTACHED TO FILING: 2

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**CALIFORNIA SECRETARY OF STATE, UCC RECORD**

**DEBTOR(S): VIDIMEDIX CORPORATION [BUSINESS]  
12707 HIGH BLUFF DR STE 200  
SAN DIEGO, CA 92130**

**SECURED PARTIES: NEWCOURT FINANCIAL USA INC.  
111 ANZA BLVD STE 200  
BURLINGAME, CA 94010**

**FILING-DATE: 12/29/1997**

**FILING-TIME: 08:00 AM**

**EXPIRATION DATE: 12/30/2002**

**FILING-NUMBER: 9800560021**

**STATUS: ACTIVE**

**TYPE: FINANCING STATEMENT**

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**CALIFORNIA SECRETARY OF STATE, UCC RECORD**

**DEBTOR(S): VIDIMEDIX CORPORATION [BUSINESS]  
3931 SORRENTO BLVD  
SAN DIEGO, CA 92121**

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**CALIFORNIA SECRETARY OF STATE, UCC RECORD**

**SECURED PARTIES: NORWEST EQUIPMENT FINANCE INC  
733 MARQUETTE AVE INVESTORS BLDG STE 300  
MINNEAPOLIS, MN 55479**

**PRIOR SECURED PARTIES:**

**ROCKFORD INDUSTRIES, INC.  
1851 E. FIRST ST, STE 600  
SANTA ANA, CA 92705**

**FILING-DATE: 05/10/1998**

**FILING-TIME: 08:00 AM**

EXPIRATION DATE: 06/10/2003

FILING-NUMBER: 9816380494

STATUS: ACTIVE

TYPE: FINANCING STATEMENT

HISTORY:

Date	Time	Number	Type
07/08/1998	08:00 AM	98191C0192	ASSIGNMENT

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CALIFORNIA SECRETARY OF STATE, UCC RECORD

DEBTOR(S): VIDIMEDIX CORPORATION (BUSINESS)  
3931 SORRENTO VALLEY BLVD  
SAN DIEGO, CA 92121

SECURED PARTIES: SILICON VALLEY BANK/SILICON VALLEY FINANCIAL SERVICES  
3003 TASMAN DR, MAIL SORT NC481  
SANTA CLARA, CA 95054

FILING-DATE: 01/05/1999

FILING-TIME: 01:52 PM

EXPIRATION DATE: 01/05/2004

FILING-NUMBER: 9900760111

STATUS: ACTIVE

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CALIFORNIA SECRETARY OF STATE, UCC RECORD

TYPE: FINANCING STATEMENT

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**CALIFORNIA SECRETARY OF STATE, UCC RECORD**

**DEBTOR(S): VIDIMEDIX CORPORATION (BUSINESS)**  
3931 SORRENTO VALLEY BLVD  
SAN DIEGO, CA 92121  
FID/SS#: 742750461

**SECURED PARTIES: FIRST SIERRA FINANCIAL, INC.**  
600 TRAVIS ST STE 4750  
HOUSTON, TX 77002

**FILING-DATE: 06/11/1999**

**FILING-TIME: 08:00 AM**

**EXPIRATION DATE: 06/11/2004**

**FILING-NUMBER: 9916960371**

**STATUS: ACTIVE**

**TYPE: FINANCING STATEMENT**

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**CALIFORNIA SECRETARY OF STATE, UCC RECORD**

**DEBTOR(S): VIDIMEDIX CORPORATION (BUSINESS)**  
1250 CAPITAL OF TEXAS HWY S BLDG 11 STE 540  
AUSTIN, TX 78746

**SECURED PARTIES: SILICON VALLEY BANK**  
9020 CAPITAL OF TEXAS HWY S BLDG 1 STE 350  
AUSTIN, TX 78759

**FILING-DATE: 12/02/1999**

**FILING-TIME: 08:00 AM**

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**CALIFORNIA SECRETARY OF STATE, UCC RECORD**

**EXPIRATION DATE: 12/02/2004**

**FILING-NUMBER: 9934860992**

**STATUS: ACTIVE**

IES OF THE ORIGINAL FILING AND RELATED DOCUMENTS

**EXHIBIT D**

**FORM OF SUBORDINATION AGREEMENT**

## SUBORDINATION AGREEMENT

This Subordination Agreement (this "Agreement") dated as of May 2, 2000, is between Windamere LLC ("Creditor"), and Silicon Valley Bank ("Bank").

### Recitals

A. VidiMedix Corporation ("Borrower") has requested and/or obtained credit from Bank which may be secured by its assets and property.

B. Creditor has extended credit to Borrower and/or may later extend other credit to Borrower.

C. To induce Bank to extend credit to Borrower and make further extensions of credit to or for Borrower, or to purchase or extend credit pursuant to any instrument or writing on which Borrower is liable or to grant renewals or extensions of any loan, extension of credit, purchase, or other accommodation Creditor will subordinate: (i) all of Borrower's indebtedness and obligations to Creditor, existing now or later (the "Subordinated Debt") to all of Borrower's indebtedness and obligations to Bank; and (ii) all of Creditor's security interests, to all of Bank's security interests in the Borrower's property.

### THE PARTIES AGREE AS FOLLOWS:

1. Creditor subordinates to Bank any security interest or lien that it has in any property of Borrower. Despite attachment or perfection dates of Creditor's security interest and Bank's security interest, Bank's security interest in the Collateral (defined in the Loan and Security Agreement dated November 11, 1999) between Borrower and Bank, the "Loan Agreement" is prior to Creditor's security interest.

2. All Subordinated Debt payments are subordinated to all Borrower's obligations to Bank existing now or later, together with collection costs of the Obligations (including attorneys' fees), including, interest accruing after any bankruptcy, reorganization or similar proceeding and all obligations under the Loan Agreement (the "Senior Debt").

3. Creditor will not:

a) demand or receive from Borrower (and Borrower will not pay) any part of the Subordinated Debt, by payment, prepayment, or otherwise,

b) exercise any remedy against the Collateral, or

c) accelerate the Subordinated Debt, or begin to or participate in any action against Borrower, until all the Senior Debt is paid. However, Creditor may receive regularly scheduled payments of interest or principal that constitute Subordinated Debt, if an Event of Default (defined in the Loan Agreement) has not occurred, is not continuing and would not exist immediately after payment. This does not prohibit Creditor from converting any Subordinated Debt into equity securities of Borrower.

4. Creditor must deliver to Bank in the form received (except for endorsement or assignment by Creditor) any payment, distribution, security or proceeds it receives on the Subordinated Debt other than according to this Agreement.

5. These provisions remain in full force and effect, despite Borrower's insolvency, reorganization or any case or proceeding under any bankruptcy or insolvency law, and Bank's claims against Borrower and Borrower's estate will be fully paid before any payment is made to Creditor.



6. Until the Senior Debt is paid, Creditor irrevocably appoints Bank as its attorney-in-fact, with power of attorney with power of substitution, in Creditor's name or in Bank's name, for Bank's use and benefit without notice to Creditor, to do the following in any bankruptcy, insolvency or similar proceeding involving Borrower:

(i) File any claims for the Subordinated Debt for Creditor if Creditor does not do so at least 30 days before the time to file claims expires, and

(ii) Accept or reject any plan of reorganization or arrangement for Creditor and vote Creditor's claims in respect of the Subordinated Debt in any way it chooses.

7. Creditor will immediately put a legend on the Subordinated Debt instruments that the instruments are subject to this Agreement. No amendment of the Subordinated Debt documents will modify this Agreement in any way that terminates or impairs the subordination of the Subordinated Debt or the subordination of the security interest or lien that Bank has in Borrower's property. For example, instruments may not be amended to (i) increase the interest rate of the Subordinated Debt, or (ii) accelerate payment of principal or interest or any other portion of the Subordinated Debt.

8. This Agreement is effective while Borrower owes any amounts to Bank. If after full payment of the Senior Debt Bank must disgorge any payments made on the Senior Debt, this Agreement and the relative rights and priorities provided in it, will be reinstated as to all disgorged payments as though the payments had not been made, and Creditor will immediately pay Bank all payments received under the Subordinated Debt to the extent the payments would have been prohibited under this Agreement. At any time without notice to Creditor, Bank may take actions it considers appropriate on the Senior Debt such as terminating advances, increasing the principal, extending the time of payment, increasing interest rates, renewing, compromising or otherwise amending any documents affecting the Senior Debt and any collateral securing the Senior Debt, and enforcing or failing to enforce any rights against Borrower or any other person. No action or inaction will impair or otherwise affect Bank's rights under this Agreement. Creditor waives any benefits of California Civil Code Sections 2809, 2810, 2819, 2845, 2847, 2848, 2849, 2850, 2899 and 3433.

9. This Agreement binds Creditor, its successors or assigns, and benefits Bank's successors or assigns. This Agreement is for Creditor's and Bank's benefit and not for the benefit of Borrower or any other party. If Borrower is refinancing any of the Senior Debt with a new lender, upon Bank's request of creditor, Creditor will enter into a new subordination agreement with the new lender on substantially the terms of this Agreement.

10. This Agreement may be executed in two or more counterparts, each of which is an original and all of which together constitute one instrument.

11. California law governs this agreement without giving effect to conflicts of laws principles. Creditor and Bank submit to the exclusive jurisdiction of the courts in Santa Clara County, California. CREDITOR AND BANK EACH WAIVE THEIR RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION FROM THIS AGREEMENT.

12. This Agreement represents is the entire agreement about this subject matter, and supersedes prior negotiations or agreements. Creditor is not relying on any representations by Bank or Borrower in entering into this Agreement. Creditor will keep itself informed of Borrower's financial and other conditions. This Agreement may be amended only by written instrument signed by Creditor and Bank.

13. If there is an action to enforce the rights of a party under this Agreement, the party prevailing will be entitled, in addition to other relief, all reasonable costs and expenses, including reasonable attorneys' fees, incurred in the action.

"Creditor"

WINDAMERE, LLC

\_\_\_\_\_

By: Scott Glenn

Title: Managing Member

"Bank"

SILICON VALLEY BANK

\_\_\_\_\_

By: \_\_\_\_\_

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

The Borrower approves the terms of this Agreement.

"Borrower"

VIDIMEDIX CORPORATION

\_\_\_\_\_

By: Philip W. Faris, Jr.

Title: President and CEO

**MORRISON & FOERSTER LLP**

Attorneys at Law

555 West Fifth Street, Suite 3500  
Los Angeles, California 90013-1024  
Telephone: (213) 892-5200  
Facsimile: (213) 892-5454**To: United States Patent and Trademark Office**      **Facsimile: (703) 306-5995****From: Charlotte Chen**  
Legal Assistant**Date: May 18, 2000**We are transmitting a total of 27 pages (including this page).  
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**CERTIFICATE OF FACSIMILE TRANSMITTAL**

I hereby certify that this correspondence is being transmitted via facsimile to the United States Patent and Trademark Office in Washington, D.C. under 37 C.F.R. § 1.8 on May 18, 2000, to the facsimile number appearing above.

  
Charlotte Chen