

12-04-2000



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12-4-00

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

Submission Type

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

Conveyance Type

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

Conveying Party

Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

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

Citizenship/State of Incorporation/Organization

12/04/2000 DNGUYEN 00000188 75551233

FOR OFFICE USE ONLY

01 FC:401 40.00 OP
02 FC:402 275.00 OP

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

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

TRADEMARK
REEL: 002186 FRAME: 0713

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

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

#

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

Mark if additional numbers attached

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

Trademark Application Number(s)

Registration Number(s)

<input type="text" value="75/551233"/>	<input type="text" value="75/551231"/>	<input type="text" value="75/563779"/>	<input type="text" value="75/462825"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="75/551232"/>	<input type="text" value="75/567936"/>	<input type="text" value="75/614044"/>	<input type="text" value="75/815474"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="75/551234"/>	<input type="text" value="75/564404"/>	<input type="text" value="75/664212"/>	<input type="text" value="1,842,710"/>	<input type="text"/>	<input type="text"/>

Number of Properties Enter the total number of properties involved.

#

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

\$

Method of Payment: Enclosed Deposit Account

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

Deposit Account Number:

#

Authorization to charge additional fees:

Yes No

Statement and Signature

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

ERNEST C. MYSOGLAND

Name of Person Signing

Ernest C. Mysogland

Signature

11/17/00

Date Signed

SECURITY AGREEMENT

SECURITY AGREEMENT dated as of November 14, 2000, made by **SAGEMAKER, INC.**, a Delaware corporation having its principal office at 883 Black Rock Turnpike, Fairfield Connecticut 06430 (the "Grantor") to Enertech Capital Partners, L.P. having an address at 435 Devon Park Dr., St 410, Wapona, IA 50872 as Collateral Agent (the "Collateral Agent") for the purchasers (the "Purchasers") under the Note Purchase Agreement (as hereinafter defined) and Dynegy Technology Capital Corp. ("Dynegy" and, together with the Purchasers, the "Beneficiaries").

PRELIMINARY STATEMENT. The Collateral Agent and the Purchasers have entered into the Note and Warrant Purchase Agreement dated as of even date herewith (as the same may be amended, supplemented or restated from time to time, the "Note Purchase Agreement") with the Grantor pursuant to which the Grantor has issued to each Purchaser its Senior Secured Convertible Notes (the "Notes"). The Grantor has issued that certain 8% Convertible Note dated July 26, 2000 to Dynegy in the original principal amount of \$5,000,000 (the "Dynegy Note" and, together with the Note Purchase Agreement and the Notes, the "Loan Documents"). It is a condition precedent to the making of loans by the Purchasers under the Note Purchase Agreement that the Grantor shall have granted the security interest contemplated by this Security Agreement as collateral security for payment and performance of the obligations under the Loan Documents. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Note Purchase Agreement.

NOW, THEREFORE, in consideration of the promises and in order to induce the Purchasers to make loans under the Note Purchase Agreement, the Grantor hereby agrees for the benefit of the Collateral Agent as follows:

ARTICLE 1. THE COLLATERAL

Section 1.1. Grant of Security. As collateral security for the Obligations (as defined in Section 1.2 hereof), the Grantor hereby assigns and pledges to the Collateral Agent for its benefit and the ratable benefit of the Beneficiaries and hereby grants to the Collateral Agent for its benefit and the ratable benefit of the Beneficiaries a security interest in, a general lien upon and/or right of setoff of all of the Grantor's right, title and interest in and to all of their personal property (the "Collateral"), including the following:

(a) All equipment (as such term is defined under the Uniform Commercial Code, as adopted in the State of Connecticut) in all of its forms, wherever located, now or hereafter existing, and all parts thereof and all accessions thereto (any and all such equipment, parts and accessions being the "Equipment");

(b) All inventory (as such term is defined under the Uniform Commercial Code, as adopted in the State of Connecticut) in all of its forms, wherever located, now or hereafter existing (including, but not limited to (i) raw materials and work in process inventory, finished goods inventory, and materials used or consumed in the manufacture or production thereof, (ii) goods in which the Grantor has an interest in mass or a joint or other interest or right

of any kind and (iii) goods which are returned to or repossessed by the Grantor), and all accessions thereto and products thereof (any and all such inventory, accessions and products being the "Inventory");

(c) All accounts, contract rights, chattel paper, instruments, general intangibles, deposit accounts and other obligations of any kind now or hereafter existing, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services including, and all rights now or hereafter existing in and to all security agreements, leases and other contracts securing or otherwise relating to any such accounts, contract rights, chattel paper, instruments, general intangibles or obligations (any and all such accounts, contract rights, chattel paper, instruments, general intangibles and obligations being the "Receivables," and any and all such leases, security agreements and other contracts being the "Related Contracts");

(d) (i) all United States or other patents and applications for patents, including without limitation those listed on **Exhibit A** to this Agreement and all licenses thereof (collectively, the "Patents");

(ii) all United States or other trademarks, service marks, trade names, logos, registrations and applications for trademarks and service marks, filed and unfiled, including without limitation those listed on **Exhibit B** to this Agreement, together with the goodwill of the business connected with the use of, and symbolized by, all such trademarks, service marks, trade names, logos, registrations and applications and all licenses to any Grantor of United States or other trademarks and service marks, including without limitation those listed on said **Exhibit B** (collectively, the "Trademarks");

(iii) all United States or other copyrights (including without limitation those registered copyrights listed on **Exhibit C** to this Agreement), registered and unregistered, published and unpublished, under or pursuant to the domestic law of all countries and any applicable convention or treaty, including all rights of reproduction, publication, modification, derivation and the like owned or used by the Grantor (collectively, the "Copyrights");

(iv) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of the items referred to in the preceding clauses (i), (ii) and (iii);

(v) all other agreements granted to the Grantor with respect to any of the items referred to in the preceding clauses (i), (ii), (iii) and (iv);

(vi) the right to sue for past, present and future infringements and dilution of the foregoing; and

(vii) all fights corresponding to all of the foregoing throughout the world, including utility models, utility patents, patents of addition, confirmation patents, registration patents, petty patents, registered designs, and all priority and convention fights in connection with any of the foregoing;

(e) all inventions, processes, production methods, proprietary information, know-how and trade secrets used or useful in the business of the Grantor, all rights in and to any improvements or modifications thereof, and all licenses, sublicenses or other agreements granted to the Grantor with respect to any of the foregoing, in each case whether now or hereafter owned, used, or granted, by any party; 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, catalogues, computer and automatic machinery software and programs, and the like pertaining to present or future operations by the Grantor in, on or about any of its plants, facilities or warehouses all field repair data, sales data and other information relating to sales or service of products now or hereafter manufactured on or about any of its plants or facilities; and all accounting information pertaining to operations in, on or about any of its plants or facilities and all media in which or on which is now or hereafter recorded or stored any of the foregoing information, knowledge, records or data and all computer programs used for the compilation or printout of such information, knowledge, records or data;

(f) all licenses and sublicenses given, granted or conveyed to or by the Grantor in the items set forth in Sections 1.1(d) and 1.1(e) above, to the full extent of and subject to the Grantor' rights therein (collectively, the "I licenses");

(g) all software programs, including, without limitation, all computer programming code (the "Software Code") which shall include the machine-readable form of the Software Code and the human-readable form of the Software Code, all comments and all procedural code (collectively, the "Software Programs"), all of which are listed on **Exhibit D** to this Agreement; all technical and descriptive materials relating to the acquisition, design, development, use, or maintenance of the Software Code or the Software Programs and program documentation and materials (the "Technical Documentation"); and

(h) all products and proceeds of any and all of the foregoing (including, without limitation, proceeds which constitute property of the types described in clauses (a)-(g) of this Section 1.1 and proceeds of infringement suits) and, to the extent not otherwise included, all (i) payments under insurance (whether or not any Beneficiary or the Collateral Agent are the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral, (ii) license royalties and (iii) cash.

Section 1.2. Security for Obligations. This Agreement secures the payment of all obligations (whether matured or unmatured) of the Grantor now or hereafter existing under the Loan Documents, whether for principal, interest, fees, expenses or otherwise (all such obligations being the "Obligations"). Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the Obligations and would be owed by the Grantor to the Collateral Agent or any Beneficiary under the Loan Documents, but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Grantor.

Section 1.3. Deposit of Software Programs and Technical Documentation. The Grantor has delivered to the Collateral Agent all Software Programs and Technical Documentation. The Grantor shall update every month the latest version of all Software Programs and Technical Documentation, including all enhancements, modifications, improvements or additions to any of the Software Programs and Technical Documentation (regardless of developing party) associated with the versions containing the most advanced fully-tested functionality.

Section 1.4. Grantor Remain Liable. Anything herein to the contrary notwithstanding, (a) the Grantor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Collateral Agent or any Beneficiary of any of the rights hereunder shall not release the Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral, and (c) neither the Collateral Agent nor any Beneficiary shall have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Collateral Agent or any Beneficiary be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

Section 1.5. Continuing Agreement. This Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until the indefeasible payment in full of the Obligations. Upon the indefeasible payment in full of the Obligations, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to the Grantor. Upon any such termination, the Collateral Agent shall, at the Grantor' expense, execute and deliver to the Grantor such documents as are necessary to effect the termination and release of the liens granted pursuant to this Agreement, and such other documents as the Grantor shall reasonably request to evidence such termination. This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Collateral Agent or any Beneficiary on the insolvency, bankruptcy or reorganization of the Grantor or otherwise, all as though the payment had not been made.

Section 1.6. Security Interest Absolute. All rights of the Collateral Agent and the Beneficiaries hereunder and security interests hereunder, and all obligations of the Grantor hereunder, shall be absolute and unconditional, irrespective of any defenses whatsoever available to the Grantor, including but not limited to the following defenses:

- (a) any extension of credit by any Beneficiary to or for the account of the Grantor other than under the Loan Documents;
- (b) any lack of validity or enforceability of any Loan Documents,
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations;

(d) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to departure from any other agreement, for all or any of the Obligations; or

(e) any law, regulation or order of any jurisdiction affecting or purporting to affect any term of any Obligation or the Collateral Agent's or any Beneficiary's rights with respect thereto.

ARTICLE 2. REPRESENTATIONS AND WARRANTIES

The Grantor represents and warrants as follows:

Section 2.1. Location of Collateral. All of the Equipment and Inventory are located at the places specified in **Schedule 2.1** hereto. The chief place of business and chief executive office of the Grantor and the office where the Grantor keep their records concerning the Receivables, and all originals of all chattel paper which evidence Receivables, are located at the addresses specified for the Grantor in **Schedule 2.1** hereto.

Section 2.2. Ownership and Liens. The Grantor owns the Collateral free and clear of any lien, except for the security interest created by this Agreement. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favor of the Collateral Agent relating to this Agreement.

Section 2.3. Perfection. This Agreement creates a valid and perfected first priority security interest in the Collateral, securing the payment of the Obligations, and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken.

Section 2.4. No Authorization Required. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (a) for the grant by the Grantor of the security interest granted hereby or for the execution, delivery or performance of this Agreement by the Grantor or (b) for the perfection of the Collateral Agent and the Beneficiaries of their rights and remedies hereunder.

Section 2.5. Solvency of Account Debtors. Each account debtor, to the best of the Grantor's knowledge, is and will be solvent and able to pay all Receivables on which the account debtor is obligated in full when due or, with respect to such account debtors of the Grantor who are not solvent, the Grantor has set up on its books and financial records bad debt reserves adequate to cover such Receivables.

Section 2.6. Nature of Receivables. Each of the Receivables shall be a bona fide and valid account representing a bona fide indebtedness incurred by the account debtor therein named, for a fixed sum as set forth in the invoice relating thereto (provided immaterial or unintentional invoice errors shall not be deemed to be a breach hereof) with respect to an

absolute sale or lease and delivery of goods upon stated terms of the Grantor, or work, labor and/or services theretofore rendered by the Grantor, and as of the date each Receivable is created, shall be due and owing in accordance with the Grantor's standard terms of sale without dispute, setoff or counterclaim except as may be stated on the accounts receivable schedules delivered by the Grantor to the Collateral Agent.

ARTICLE 3. COVENANTS

Section 3.1. Further Assurances.

(a) The Grantor agrees that from time to time, at the expense of the Grantor, the Grantor shall promptly execute and deliver all further instruments and documents, and take all further action that may be necessary or reasonably desirable, or that the Collateral Agent may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Grantor shall upon written request by the Collateral Agent: (i) mark conspicuously each item of chattel paper included in the Receivables and each Related Contract and, at the request of the Collateral Agent, each of their recordings pertaining to the Collateral with a legend, in form and substance satisfactory to the Collateral Agent, indicating that such chattel paper, Related Contract or Collateral is subject to the security interest granted hereby; (ii) if any Receivable shall be evidenced by a promissory note or other instrument or chattel paper, deliver and pledge to the Collateral Agent hereunder such note, instrument or chattel paper duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Collateral Agent; and (iii) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or reasonably desirable, or as the Collateral Agent may request, including, but not limited to any instruments registering the Collateral Agent as lien holder on certificates of title to any automobiles of the Grantor, in order to perfect and preserve the security interests granted or purported to be granted hereby.

(b) The Grantor hereby authorize the Collateral Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of the Grantor where permitted by law.

(c) The Grantor shall furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

Section 3.2. As to Equipment and Inventory. The Grantor shall:

(a) Keep the Equipment and Inventory (other than Inventory sold in the ordinary course of business) at the places therefore specified in **Schedule 2.1** or, upon ten (10) days' prior written notice to the Collateral Agent, at such other places in jurisdictions where all

action required by Section 3.1 shall have been taken with respect to the Equipment and Inventory.

(b) Pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment and Inventory except to the extent the validity thereof is being contested in good faith and adequate reserves have been set aside or to the extent such failure to pay could not reasonably be expected to have a material adverse effect.

Section 3.3. Insurance.

(a) The Grantor shall, at their own expense, maintain insurance with respect to the Equipment and Inventory to such amounts against such risks, in such form and with such insurers as shall be satisfactory to the Collateral Agent from time to time. Each policy for (i) liability insurance shall provide for all losses to be paid to the Collateral Agent and the Grantor as their respective interests may appear and (ii) property damage insurance shall provide for all losses to be paid directly to the Collateral Agent. Each such policy shall in addition (i) name the Grantor and the Collateral Agent as insured parties thereunder (without any representation or warranty by or obligation upon the Collateral Agent) as their interests may appear, (ii) contain the agreement by the insurer that any loss thereunder shall be payable to the Collateral Agent notwithstanding any action, inaction or breach of representation or warranty by the Grantor, (iii) provide that there shall be no recourse against the Collateral Agent for payment of premiums or other amounts with respect thereto and (iv) provide that at least thirty (30) days' prior written notice of cancellation or of lapse shall be given to the Collateral Agent by the insurer. The Grantor shall, if so requested by the Collateral Agent, deliver to the Collateral Agent original or duplicate policies of such insurance and, as often as the Collateral Agent may reasonably request, a report of a reputable insurance broker with respect to such insurance. Further, the Grantor shall, at the reasonable request of the Collateral Agent, duly execute and deliver instruments of assignment of such insurance policies to comply with the requirements of this Agreement and cause the respective insurers to acknowledge notice of such assignment.

(b) Reimbursement under any liability insurance maintained by the Grantor pursuant to this Section 3.3 may be paid directly to the person who shall have incurred liability covered by such insurance. In case of any loss involving damage to Equipment or Inventory when subsection (c) of this Section 3.3 is not applicable, the Grantor shall make or cause to be made the necessary repairs to or replacements of such Equipment or Inventory, and any proceeds of insurance maintained by the Grantor pursuant to this Section 3.3 shall be paid to the Grantor as reimbursement for the costs of such repairs or replacements.

(c) Upon (i) the occurrence and during the continuance of any Event of Default, or (ii) the actual or constructive total loss of any Equipment or Inventory, all insurance payments in respect of such Equipment or Inventory shall be paid to and applied by the Collateral Agent as specified in Section 5.1. In all other cases, insurance payments received by the Collateral Agent shall promptly be remitted to the Grantor.

Section 3.4. As to Receivables.

(a) The Grantor shall keep their chief place of business and chief executive office and the office where they keep their records concerning the Receivables, and all originals of all chattel paper which evidence Receivables, at the location therefor specified in **Schedule 2.1** or, upon ten (10) days' prior written notice to the Collateral Agent, at such other location in a jurisdiction where all action required by Section 3.1 shall have been taken with respect to the Receivables. The Grantor shall hold and preserve such records and chattel paper and, upon reasonable notice, shall permit representatives of the Collateral Agent, at their sole cost and expense (except as otherwise provided in the Note Purchase Agreement), at any time during normal business hours to inspect and make abstracts from such records and chattel paper.

(b) Except as otherwise provided in this subsection (b), the Grantor shall continue to collect, at their own expense, all amounts due or to become due the Grantor under the Receivables. In connection with such collections, the Grantor may take (and, at the Collateral Agent's direction, shall take) such action as the Grantor or the Collateral Agent may reasonably deem necessary or advisable to enforce collection of the Receivables; provided, however, that the Collateral Agent shall have the right at any time in the event that the Collateral Agent in good faith believes that the prospect of payment of the Obligations in the normal course, or the performance of collection of the Receivables, is impaired and upon written notice to the Grantor of its intention to do so, to notify the account debtors or obligors under any Receivables of the assignment of such Receivables to the Collateral Agent and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Grantor thereunder directly to the Collateral Agent and, upon such notification and at the expense of the Grantor, to enforce collection of any such Receivables, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Grantor might have done. After receipt by the Grantor of the notice from the Collateral Agent referred to in the proviso to the preceding sentence, (i) all amounts and proceeds (including instruments) received by the Grantor in respect of the Receivables shall be received in trust for the benefit of the Collateral Agent hereunder, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Collateral Agent in the same form as so received (with any necessary endorsement) to be held as cash collateral and either (A) released to the Grantor so long as no Event of Default shall have occurred and be continuing or (B) if any Event of Default shall have occurred and be continuing, applied as provided by Section 5.1(b), and (ii) the Grantor shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon.

(c) The Grantor shall take all steps necessary to protect the Collateral Agent's interest in the Collateral under the Federal Assignment of Claims Act, the Social Security Act, or other applicable federal, state, or local statutes, ordinances or regulations and deliver to the Collateral Agent, appropriately endorsed, any instrument or chattel paper connected with any Receivable, arising out of contracts between the Grantor and the United States, any state or any department, agency or instrumentality of any of them.

Section 3.5. Transfers and Other Liens The Grantor shall not:

- (a) Sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral, except in the ordinary course of business.
- (b) Create or suffer to exist any lien upon or with respect to any of the Collateral to secure Debt of any Person, except for the security interest created by this Agreement.

ARTICLE 4. THE COLLATERAL AGENT

Section 4.1. Collateral Agent Appointed Attorney-in-Fact. The Grantor hereby irrevocably appoints the Collateral Agent the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Collateral Agent's reasonable discretion, to take any action and to execute any instrument which the Collateral Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation:

- (a) to obtain and adjust insurance required to be paid to the Collateral Agent pursuant to Section 3.3,
- (b) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral,
- (c) to receive, endorse and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) or (b) above, and
- (d) to file any claims or take any action or institute any proceedings which the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Collateral.

Section 4.2. Collateral Agent May Perform. If the Grantor fails to perform any agreement contained herein, the Collateral Agent may itself perform, or cause performance of, such agreement and the expenses of the Collateral Agent incurred in connection therewith shall be payable by the Grantor under Section 6.2.

Section 4.3. The Collateral Agent's Duties. The powers conferred on the Collateral Agent hereunder are solely to protect the Collateral Agent's interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve fights against prior parties or any other fights pertaining to any Collateral.

ARTICLE 5. DEFAULT

Section 5.1. Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Collateral Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code (the "UCC") (to the extent permitted by law whether or not the UCC applies to the affected Collateral) and also may (i) require the Grantor to, and the Grantor hereby agrees that it shall at its expense and upon request of the Collateral Agent forthwith, assemble all or part of the Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at a place to be designated by the Collateral Agent which is reasonably convenient to both parties and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Collateral Agent may in good faith deem commercially reasonable. The Grantor agree that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All cash proceeds received by the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral may, in the discretion of the Collateral Agent, be held by the Collateral Agent as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Collateral Agent pursuant to Section 6.2) in whole or in part by the Collateral Agent against all or any part of the Obligations amongst the Purchasers, pro rata (i) first, to outstanding principal on the Obligations; (ii) second, to past due interest and fees on the Obligations; and (iii) third, to accrued but unpaid interest due on the Obligations. Any surplus of such cash or cash proceeds held by the Collateral Agent and remaining after payment in full of all the Obligations shall be paid over to the Grantor or to whomever may be lawfully entitled to receive such surplus.

ARTICLE 6. MISCELLANEOUS

Section 6.1. Amendments, Etc. No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Collateral Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 6.2. Expenses, Etc. The Grantor shall reimburse the Collateral Agent on demand for all reasonable costs, expenses and charges (including, without limitation, reasonable fees and charges of external legal counsel for the Collateral Agent and reasonable costs allocated

by its internal legal department) incurred by the Collateral Agent in connection with the preparation, performance or enforcement of this Agreement. The Grantor agrees to indemnify the Collateral Agent and each Beneficiary from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting from the Collateral Agent's gross negligence or willful misconduct. The obligations of the Grantor under this Section shall survive the termination of this Agreement.

Section 6.3. Notices. Unless the party to be notified otherwise notifies the other party in writing as provided in this Section, notices shall be delivered in person or sent by overnight courier, facsimile, ordinary mail, cable or telex, to such party at its address specified in the Note Purchase Agreement. Notices shall be effective as specified in the Note Purchase Agreement.

Section 6.4. Transfer of Loan Documents. This Agreement shall (a) be binding upon the Grantor, its respective successors and assigns and (b) inure together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent, the Beneficiaries and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (b), any Beneficiary may assign or otherwise transfer the Obligations held by it, or grant participations therein, to any other Person to the extent permitted by, and in accordance with, the Loan Documents, and, upon compliance with Loan Documents (including the execution and delivery of an assignment agreement) such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Purchaser herein or in such other transaction document.

Section 6.5. Governing Law; Terms. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut. Unless otherwise defined herein or in the Agreement, terms used in Article 9 of the Uniform Commercial Code in the State of Connecticut are used herein as therein defined.

Section 6.6. COMMERCIAL WAIVER. TO THE EXTENT PERMITTED BY LAW, THE GRANTOR ACKNOWLEDGES THAT THE OBLIGATIONS ARE FOR COMMERCIAL PURPOSES AND WAIVES ANY RIGHT TO NOTICE AND HEARING THAT MAY BE REQUIRED BY LAW AS NOW OR HEREAFTER AMENDED AND AUTHORIZE THE ATTORNEY OF THE COLLATERAL AGENT, OR ANY SUCCESSOR THERETO, TO ISSUE A WRIT OF PREJUDGMENT REMEDY WITHOUT COURT ORDER. FURTHER, THE GRANTOR HEREBY WAIVES, TO THE EXTENT PERMITTED BY LAW, THE BENEFITS OF ALL VALUATION, APPRAISEMENTS, HOMESTEAD, EXEMPTION, STAY, REDEMPTION AND MORATORIUM LAWS NOW IN FORCE OR WHICH MAY HEREAFTER BECOME LAWS. THE GRANTOR ACKNOWLEDGES THAT IT MAKES THESE WAIVERS KNOWINGLY, VOLUNTARILY AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THESE WAIVERS WITH ITS ATTORNEYS.

ARTICLE 7. INTELLECTUAL PROPERTY

Section 7.1. Special Provisions Concerning Trademarks.

(a) Additional Representations and Warranties. The Grantor represents and warrants that it is the true and lawful exclusive owner of the Trademarks listed in Exhibit B attached hereto and that said listed Trademarks constitute all the trademarks registered or applied for in the United States Patent and Trademark Office, that any Grantor now owns or uses in connection with the business of the Grantor. The Grantor represents and warrants that it owns or is licensed to use all Trademarks that it uses. The Grantor further warrants that it is aware of no third-party claim that any aspect of the Grantor's present or contemplated business operations infringes or will infringe any trademark of said third party.

(b) Licenses and Assignments. The Grantor hereby agrees not to divest itself of any right under a Trademark absent prior written approval of the Collateral Agent.

(c) Infringements. The Grantor agrees, promptly upon learning thereof, to notify the Collateral Agent in writing of the name and address of, and to furnish such pertinent information that may be available with respect to, any party who may be infringing or otherwise violating any of the Grantor's rights in and to any material Trademark, or with respect to any party claiming that the Grantor's use of any material Trademark violates any property right of that party.

(d) Preservation of Trademarks. To the extent the Trademarks listed in **Exhibit B** are material to its business, the Grantor agrees to use such Trademarks in interstate commerce during the time in which this Agreement is in effect, sufficiently to preserve such Trademarks as trademarks or service marks registered under the laws of the United States.

(e) Maintenance of Registration. With respect to Trademarks which are the subject of a U.S. Trademark registration or application, the Grantor of such Trademarks shall, at its expense, diligently process all documents required by the Trademark Act of 1946, 15 U.S.C. §§ 1051 et al., to maintain trademark registration, including but not limited to affidavits of use and applications for renewals of registration in the United States Patent and Trademark Office for all of such Trademarks pursuant to 15 U.S.C. §§ 1058(a), 1059 and 1065, and pay all fees and disbursements in connection therewith, and shall not abandon any such filing of affidavit of use or any such application of renewal prior to the exhaustion of all administrative and judicial remedies without prior written consent of the Collateral Agent.

(f) Future Registered Trademarks. If any Grantor acquires any registered trademark hereafter or if any trademark registration issues hereafter to any Grantor as a result of any application now or hereafter pending before the United States Patent and Trademark Office, then, within sixty (60) days of receipt of such certificate the Grantor shall deliver an updated **Exhibit B** together with an executed original of this Agreement in proper form for filing, and, upon request, deliver to the Collateral Agent a copy of said registration certificate.

(g) Remedies. If an Event of Default shall occur and be continuing, the Collateral Agent may, by written notice to the Grantor, take any or all of the Following actions: (i) declare vested the entire right, title and interest of the Grantor in and to each of the Trademarks, together with all trademark rights and rights of protection to the same, in which event such rights, title and interest shall immediately vest in the Collateral Agent, and the Grantor shall execute an assignment in form and substance satisfactory to the Collateral Agent, of all its rights, title and interest in and to the Trademarks to the Collateral Agent; (ii) take and use or sell the Trademarks and the goodwill of the Grantor's business symbolized by the Trademarks and the right to carry on the business and use the assets of the Grantor in connection with which the Trademarks have been used- and (iii) direct the Grantor to refrain, in which event the Grantor shall refrain, from using the Trademarks in any manner whatsoever, directly or indirectly, and, if requested by the Collateral Agent, change the Grantor' corporate names to eliminate therefrom any use of any Trademark and execute such other and further documents that the Collateral Agent may request to further confirm this and to transfer ownership of the Trademarks and registrations and any pending trademark application in the United States Patent and Trademark Office to the Collateral Agent.

Section 7.2. Special Provisions Concerning Patents and Copyrights.

(a) Additional Representations and Warranties. The Grantor represents and warrants that it is the true and lawful exclusive owner or licensee of all rights in the Patents, if any, listed in **Exhibit A** attached hereto and in the Copyrights, if any, listed in Exhibit C attached hereto, that said Patents constitute all the United States patents and applications for United States patents that any Grantor now owns and that said Copyrights constitute all the United States registered copyrights that any Grantor now owns. The Grantor represents and warrants that it owns or is licensed to practice under all Patents and Copyrights that it now owns or uses, except where the failure to own or be so licensed will not have a material adverse effect on the Grantor. The Grantor further warrants that it is aware of no third-party claim that any aspect of the Grantor's present or contemplated business operations infringes or will infringe any patent or any copyright of said third party.

(b) Licenses and Assignments. The Grantor hereby agrees not to divest itself of any right under a Patent or Copyright.

(c) Infringements. The Grantor agrees, promptly upon learning thereof, to furnish the Collateral Agent in writing with all pertinent information available to the Grantor with respect to any material infringement or material other violation of the Grantor's rights in any material Patent or Copyright, or with respect to any claim that practice of any material Patent or Copyright violates any property right of that party. The Grantor further agrees, absent direction of the Collateral Agent to the contrary, diligently to prosecute or take other reasonable actions against any person infringing any material Patent or Copyright.

(d) Maintenance of Patents. At its own expense, to the extent such Patents are material to its business, the Grantor shall make timely payment of all post-issuance fees required pursuant to 35 U.S.C. § 41 to maintain in force rights under each Patent.

(e) Prosecution of Patent and Copyright Applications. At its own expense, to the extent such Patents and Copyrights are material to its business, the Grantor shall diligently prosecute all applications for United States patents and copyrights listed on Exhibit A and **Exhibit B** hereto, respectively, and shall not abandon any such application prior to exhaustion of all administrative and judicial remedies, absent written consent of the Collateral Agent.

(f) Other Patents and Copyrights. Within sixty (60) days of acquisition of a United States Patent or registered Copyright, or of filing of an application for a United States Patent or Copyright, the Grantor shall deliver to the Collateral Agent an updated **Exhibit A** or **Exhibit C**, together with an executed original of this Agreement, in proper form for filing, and, upon request, deliver to the Collateral Agent a copy of said patent or registration certificate.

(g) Remedies. If an Event of Default shall occur and be continuing, the Collateral Agent may by written notice to the Grantor take any of all of the following actions: (i) declare vested the entire right, title and interest of the Grantor in each of the Patents and Copyrights, in which event such right, title and interest shall immediately vest in the Collateral Agent, and the Grantor shall execute an assignment in form and substance satisfactory to the Collateral Agent of all of their right, title and interest to such Patents and Copyrights to the Collateral Agent; (ii) take, use and practice or sell the Patents and Copyrights; (iii) direct the Grantor to refrain, in which event the Grantor shall refrain, from practicing the Patents and Copyrights directly or indirectly, and the Grantor shall execute such other and further documents as the Collateral Agent may request further to confirm this and to transfer ownership of the Patents and Copyrights to the Collateral Agent.

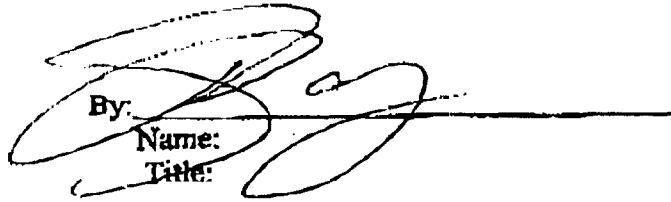
Section 7.3. Representations and Warranties Related to Software. The Grantor represents and warrants that it is the true and lawful exclusive owner of the Software Programs listed in **Exhibit D**. The Grantor has validly and effectively obtained the right and license to use, copy, modify, and distribute all third-party programming and materials contained within the Software Programs and Technical Documentation. The Software Programs and Technical Documentation contain no other programming or materials in which any third party has superior, joint, or common ownership, including any right or license. All derivative works contained within the Software Programs and Technical Documentation are owned in their entirety by the Grantor. The Grantor has neither granted, transferred, or assigned any right or interest in the Software Programs or the Technical Documentation to any Person. All contracts which grant any right whatsoever with respect to any of the Software Programs constitute only end-user agreements, each of which grants the end-user thereunder solely the nonexclusive right and license to use identified Software Programs and related user documentation, for internal purposes only, on a single or multiple central processing unit (CPU). There are no contracts, agreements, licenses, and other commitments and arrangements in effect with respect to the marketing, distribution, licensing, or promotion of the Software Programs or the Technical Documentation by any independent salesperson, distributor, sublicensor, or other remarketer or sales organization. The Technical Documentation includes the source code, system documentation, statements of principles of operation and schematics for all Software Programs, as well as any pertinent commentary or explanation that may be necessary to render such materials

understandable and usable by a trained computer programmer. The Technical Documentation also includes any program (including compilers), "workbenches," tools, and higher level (or "proprietary") language used for the development, maintenance, and implementation of the Software Programs. The representations and warranties set forth in this Section 7.3 are qualified as set forth on Schedule 7.3 hereto.

7.4 The Beneficiaries hereby acknowledge and agree that Enertech Capital Partners, L.P. has agreed to act as Collateral Agent hereunder with the understanding that it will serve as such only until such time as a third party, reasonably acceptable to Dynegy and the Purchasers holding at least a majority of the amount outstanding under the Notes, is selected to act as Collateral Agent. Furthermore, the Beneficiaries agree that while Enertech Capital Partners, L.P. is acting as Collateral Agent, Pennsylvania law shall govern this Agreement, notwithstanding any provision in this Agreement to the contrary or any conflict of laws provisions.

IN WITNESS WHEREOF, the Grantor has caused this Agreement to be duly executed and delivered by its respective officers thereunto duly authorized as of the date first above written.

SAGEMAKER, INC.

By: 
Name:
Title:

NOV-14-00 04:52P ENERTECH CAPITAL PARTNERS 610 254 4188

P.03

FROM KLEIN HARRISON

PHILADELPHIA

(TUE) 11. 14 '00 17:00, ST. 16:59/NO. 4261591132 P 3

IN WITNESS WHEREOF, the Grantor has caused this Agreement to be duly executed and delivered by its respective officers therunto duly authorized as of the date first above written.

SAGEMAKER, INC.

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED TO:

ENERTECH CAPITAL PARTNERS, L.P.

By: *William G. Kinsley*
Name: WILLIAM G. KINSLEY
Title: MANAGING DIRECTOR

SCHEDULE 2.1 TO SECURITY AGREEMENT

A. Locations of Equipment and Inventory:

**B. Addresses Where Records of Receivables
and Chattel Paper Are Located:**

883 Blackrock Turnpike
Fairfield, Connecticut 06430

42 Halley Court
Fairfield, Connecticut 06430

89 Access Road
Suite 28
Norwood, MA 02062

2000 L Street N.W.
Suite 2000
Washington, D.C. 20036

5051 West Heiner Blvd.
Suite 250
Houston, TX 77056

Buckingham House
62-63 Queen Street
London EC4R 1AD

Delta 603
Delta Business Park
Swindon Wiltshire UK SN5 7XF

883 Blackrock Turnpike
Fairfield, Connecticut 06430

42 Halley Court
Fairfield, Connecticut 06430

89 Access Road
Suite 28
Norwood, MA 02062

2000 L Street N.W.
Suite 2000
Washington, D.C. 20036

5051 West Heiner Blvd.
Suite 250
Houston, TX 77056

Buckingham House
62-63 Queen Street
London EC4R 1AD

Delta 603
Delta Business Park
Swindon Wiltshire UK SN5 7XF

EXHIBIT A

U.S. PATENTS AND PATENT APPLICATIONS

SageMaker, Inc.:

Patent Application Serial No.: 09/351359

Filed: July 12, 1999

Title: Method for distributing information to subscribers over a Network.

Status: Patent application is pending.

Patent Application Serial No.: 08/936531

Filed: September, 1997

Title: Method and Apparatus for Securely Conveying an Object Reference
Across a Network and Communication System Utilizing Secure Object
References

Status: Patent application is pending.

EXHIBIT B

TRADEMARKS

1. U.S. Trademarks

<u>Owner</u>	<u>Mark</u>	<u>Registration No.</u>	<u>Date Registered</u>
SageMaker, Inc.	SAGEMAKER	75/551233	9/11/98
SageMaker, Inc.	SAGEBLADE	75/551232	9/11/98
SageMaker, Inc.	SAGE SERVER	75/551234	9/11/98
SageMaker, Inc.	SAGEWAVE	75/551231	9/11/98
SageMaker, Inc.	INSIDE KNOWLEDGE	75/567936	10/05/98
SageMaker, Inc.	SAGEMAKER & "S" ABOVE DESIGN	75/564404	10/05/98
SageMaker, Inc.	SAGEMAKER & "S" ALIGNED LEFT DESIGN	75/563779	10/05/98
SageMaker, Inc.	SAGEADVICE	75/614044	12/28/98
SageMaker, Inc.	SAGELINK	75/667212	03/25/99
SageMaker, Inc.	IMP	75/462825	04/06/98
Global Recall, Inc.	DOCS4ALL	75/815,474	10/27/99
Global Recall, Inc.	TOTAL RECALL	1,842,710	7/5/94

2. Foreign Trademarks

None

EXHIBIT C

REGISTERED COPYRIGHTS AND COPYRIGHT APPLICATIONS

one

EXHIBIT D

SOFTWARE PROGRAMS

SAGEBLADE	Pre-recorded computer software on CD-ROMs or diskettes, or downloaded from a remote computer site, for use in query and search, analysis, reporting, data comparison across diverse sources, displaying results and generating reports, all in the field of business inquiries, business research and business investigations.
SAGESERVER	Computer server software for use in the field of business inquiries, business research and business investigations accessed by customer clients within a local area network.
SAGEWAVE	A browser-based computer application program providing information in the field of business inquiries, business research and business investigations, which searches, collates and displays information from both internal and external data sources, by means of a global computer network.
IMP	Computer software programs, using a global computer network application, for use in the field of information management systems for tracking and displaying information usage statistics.
ATHENA	Software for the management of documents and content and facilitation for the knowledge management as occurs in corporate or other similar environments.

Annex I

**PATENT, TRADEMARK, COPYRIGHT AND OTHER
INTELLECTUAL PROPERTY SECURITY INTEREST**

WHEREAS, SAGEMAKER, INC. (the "Grantor") having its principal office at 883 Black Rock Turnpike, Fairfield, Connecticut 06430, is the owner of the United States and foreign patents and patent registrations and applications for patents and patent registrations, and all renewals and extensions thereof, including, without limitation, those set forth on **Exhibit A** attached hereto, and of United States and foreign trademarks and associated United States and foreign trademark registrations and applications for trademark registrations, and all renewals and extensions thereof, including, without limitation, those set forth in **Exhibit B** attached hereto and is a party to certain trademark and patent licenses of United States and foreign trade names, trade name registrations and applications for trade name registrations, including, without limitation, those set forth in **Exhibit B** attached hereto, and of United States and foreign copyrights, copyright registrations, applications for copyright registrations, and all renewals and extensions thereof, including without limitation, those set forth on **Exhibit C** attached hereto; and

WHEREAS, Evertech Capital Partners, L.P., as Collateral Agent (the "Collateral Agent"), having an office at 435 Devon Park Dr, Suite 410, Wayne, PA 19087, is the secured party under the Security Agreement dated as of November 14, 2000, by the Grantor in favor of the Collateral Agent, and the Collateral Agent desires to acquire a security interest in, and lien on, said patents, patent registrations, trademarks, trademark registrations, copyrights, license agreements, applications for said patent and trademark registrations, the goodwill of the business symbolized by said trademarks, trademark applications and trademark and copyright registrations and all products and proceeds of the foregoing; and

WHEREAS, the Grantor agrees to grant the security interests in the patents, patent registrations, trademarks, trademark registrations, trade names, copyrights, copyright registrations, licenses, applications and all products and proceeds thereof described above and as specifically set forth in **Exhibits A, B and C** hereto, but not limited thereto;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and subject to the terms and conditions of the aforementioned Security Agreement made by the Grantor in favor of the Collateral Agent (as the same may be from time to time further amended and in effect), the terms and conditions of which are incorporated by reference herein, the Grantor hereby gives, grants, assigns and transfers a security interest in said patents, trademarks, trade names, copyrights and license agreements, and said patents, trademarks and copyright registrations, said applications for patents and trademarks, the goodwill of the business connected with the use of, and symbolized by, said trademarks, trademark applications and trademark registrations and trade names and all products and proceeds thereof to the Collateral Agent, in each case, now existing or hereafter acquired.

The Grantor hereby acknowledges the sufficiency and completeness of this document to create the security interest in the identified property and to grant the same to the Collateral Agent and the Grantor hereby requests the appropriate filing and recording offices, including, but not limited to, the U.S. Patent and Trademark Office and the U.S. Copyright Office, to file and record the same together with the annexed **Exhibits A, B and C**.

Executed on this 14 day of November, 2000.

SAGEMAKER, INC.

By: *Ernest C. Mysolund*
Name: *ERNEST C. MYSOOLUND*
Title: *ASSISTANT SECRETARY*

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Annex I-2

RECORDED: 12/04/2000

**TRADEMARK
REEL: 002186 FRAME: 0738**