

TRADEMARKS ONLY

TRADEMARKS ONLY

1-901 MRD

To the Honorable Commissioner of Patents and Trademarks  
Please record the original and one copy of this document in the files of the marks  
thereof

01-16-2001



101583800

1. Name of Party(ies) conveying an interest:

AntEye.com

Entity:

- Individual(s)                       Association
- General Partnership               Limited Partnership
- Corporation-State California
- Other

3. Interest Conveyed:

- Assignment     Change of Name
- Security Agreement     Merger
- Other

Execution Date

October 13, 2000

2. Name and Address of Party(ies) receiving an in

Name: Neveric Capital, Inc.

Address: 459 Clementina Street  
San Francisco, CA 94103

Entity:

- Individual(s)                       Association
- Corporation-State               General Partnership               Limited Partnership
- Other: Company

Citizenship: California

If not domiciled in the United States, a domestic representative designation is attached:

- Yes
- No

(The attached document must not be an assignment)

4. Application number(s) or registration number(s). Additional sheet attached?                       Yes     No

A. Trademark Application No.(s)  
78/022,623, 78/022,620, 78/022,617  
75/821,532, 75/821,531

B. Trademark Registration No.(s)

5. Please mail documents back to:

Calendar/Docketing Dept.  
Pillsbury Winthrop LLP  
Post Office Box 7880  
San Francisco, CA 94120

6. Number of applications and registrations involved: 5

7. Amount of fee enclosed: \$ 140.00

8. If above amount is missing or inadequate, charge deficiency to our Deposit Account No. 03-3975 under Order No. 010436-000-0001

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.

01/16/2001 DNGUYEN 00000088 78022623

01 FC:481                                      40.00 OP  
02 FC:482                                      100.00 OP

*Linda C Williams*

Signature

Total number of pages including cover sheet, attachments and document. (excluding duplicate cover sheet)	17
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Attorney: Linda C. Williams  
Date: January 8, 2001  
Atty/Sec: \_\_\_\_\_

Tel: (415) 983-7334  
Fax: (415) 983-1200

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement") is made and entered into as of October 13, 2000, by and between ANTEYE.COM, a California corporation ("Borrower" or "Corporation"), and NEVERIC CAPITAL, INC., a California corporation ("Secured Party").

### WITNESSETH:

WHEREAS, Borrower has requested that Secured Party advance to Borrower a loan of up to \$1,500,000 (the "Loan"); and

WHEREAS, the obligation of Borrower to repay the Loan, or so much thereof as shall have been advanced to Borrower pursuant to that certain Loan Agreement of even date herewith (the "Loan Agreement"), and to pay interest thereon at the rate provided therein, is evidenced by the Promissory Note between Borrower and Secured Party of even date herewith (the "Note") in the original principal amount of One Million Five Hundred Thousand Dollars (\$1,500,000); and

WHEREAS, in order to secure Borrower's obligations under the Note and the Loan Agreement and any additions thereto (the "Obligations"), Borrower is providing Secured Party with a security interest in its personal property collateral on the terms and conditions set forth below:

NOW, THEREFORE, Borrower and Secured Party agree as follows:

1. Grant of Security Interest.

As security for payment of the Obligations and of all other sums which may hereafter be lent by Secured Party to Borrower pursuant to the Loan Agreement (and any amendments thereto) and subject to the Note, with interest thereon, and to secure full performance by Borrower of the duties and obligations set forth herein, Borrower hereby assigns to Secured Party, and grants to Secured Party, pursuant to section 9101 et seq., of the California Commercial Code and other applicable law, a continuing security interest in all of the personal property assets of Borrower, as well as in the cash and noncash proceeds thereof (all of which is hereinafter sometimes collectively referred to as the "Collateral"), including, without limitation:

(a) All present and future evidences of or rights to payments due or to become due to Borrower on account of services rendered or goods sold or leased, including all of Borrower's accounts and contract rights, including, but not limited to, chattel paper, notes, drafts, acceptances, instruments and other forms of obligations and receivables of whatever nature and whenever acquired or arising (all of which are sometimes hereinafter referred to as the "Accounts");

(b) All supplies, goods and work-in-process;

(c) All fixtures, machinery and equipment now or hereafter owned or acquired by Borrower;

(d) All inventory now or hereafter acquired by Borrower;

(e) All contract rights or choses in action of any kind or nature;

(f) Goodwill and any other intangible property;

(g) All patents and patent applications listed on Exhibits B and C hereto and all rights corresponding thereto throughout the world, and all unpatented or unpatentable developments and inventions;

(h) All trademarks, service marks, logos, and all United States, state and/or foreign applications for registration and registrations thereof, listed on Exhibits D and E hereto, all trade names, trade styles, designs, and the like, all elements of package or trade dress of goods, the goodwill of the Borrower's business connected with the use of, and symbolized by any of the above, and all property of Borrower necessary to produce any products sold under any of the above;

(i) All copyrights and copyrighted works, all derivative works thereof, all mask works of semiconductor chip products, and United States and/or foreign applications for registration and registrations thereof, listed on Exhibits F and G hereto;

(j) All computer software programs developed or to be developed by Borrower or in which Borrower asserts or could assert a proprietary interest; all personal property, including but not limited to source codes, object codes or similar information, which is necessary to the practical utilization of such programs; all tangible property of Borrower embodying or incorporating any such programs;

(k) All trade secrets, proprietary information, customer lists, instructional materials, working drawings, manufacturing techniques, process technology documentation, and product formulations;

(l) All rights to damages or profits due or accrued arising out of past, present or future infringement of the Collateral or injury to Borrower's good will connected with the use of the Collateral and the right to sue therefor;

(m) All renewals, modifications, amendments, reissues, divisions, continuations in whole or part, and extensions of any Collateral; and

(n) All proceeds of any Collateral.

2. Warranties.

Borrower hereby represents and warrants as follows:

(a) Borrower is a California corporation in good standing and the execution, delivery and performance of this Security Agreement are within Borrower's corporate powers, have been duly authorized by the requisite corporate action and do not violate any law or the terms of Borrower's articles of incorporation or bylaws, and the officer of Borrower executing this Security Agreement has been duly authorized and empowered to execute and deliver this Security Agreement on behalf of Borrower;

(b) To the best of its knowledge, all information furnished to Secured Party by Borrower concerning the Collateral or the financial condition of Borrower is, or will be, at the time furnished, accurate and correct in all material respects and complete insofar as completeness may be necessary to give Secured Party a true and accurate knowledge of the subject matter;

(c) That except for the security interest granted hereby, Borrower is or, as to the Collateral acquired after the date hereof, Borrower will be, the owner of the Collateral, free from any adverse lien, security interest or encumbrance against any material portion of the Collateral as would affect the Secured Party's recovery of amounts due hereunder, to the best of Borrower's knowledge; and

(d) Borrower's only place of business (and the locations of the offices where it keeps its records respecting the Collateral) is listed in Exhibit A of this Security Agreement. If Borrower changes its places of business, or the locations of the offices where it keeps its records respecting the Collateral, or acquires other places of business, it will notify Secured Party no later than ten (10) days prior thereto, specifying its new address(es).

3. Collection, Preservation and Disposition of Collateral.

Prior to the occurrence of an event of default hereunder, Borrower:

(a) Shall have the right to administer, adjust, collect and use the Collateral in the ordinary course of business;

(b) Will, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any Accounts, and shall take such action with respect to collection of Accounts as Secured Party may reasonably request, or in the absence of such request, as Borrower may deem advisable;

(c) May, in the ordinary course of business, grant to any party obligated on any Account (an "Account Debtor"), any rebate, refund or allowance to which such party may be lawfully entitled;

(d) Shall keep all Collateral in good order and repair and shall not waste or destroy the Collateral or any part thereof;

(e) Shall immediately notify Secured Party of any event resulting in a material loss or depreciation in the value of the Collateral and the amount of such loss or depreciation; and

(f) Shall permit Secured Party to examine and inspect the Collateral during normal business hours after forty-eight (48) hours' written notice of such inspection, wherever located, and shall at all times maintain accurate books and records in form satisfactory to Secured Party relating to the possession and sale of the Collateral and the proceeds thereof.

#### 4. Agreements of Borrower.

Borrower agrees that:

(a) It will, upon the reasonable request of Secured Party, execute such financing statements and other documents (and pay the cost of filing or recording the same in all public offices deemed necessary by Secured Party) and do such other acts and things as Secured Party may from time to time request or deem necessary to establish and maintain a valid security interest in the Collateral and to secure any addition to the Loan;

(b) It will keep its records concerning the Collateral at the location(s) stated in Exhibit A to this Security Agreement, which records will be of such character as will enable Secured Party or its designees to determine reasonably at any time the status thereof, and Borrower will not, unless Secured Party shall otherwise consent in writing, duplicate any such records at any other address;

(c) It will permit Secured Party and its designees, from time to time, to inspect, audit and make copies of and extracts from all records and all other papers in the possession of Borrower pertaining to the Collateral and will, upon the reasonable request of Secured Party, deliver to Secured Party all of such records and papers;

(d) It will, upon the reasonable request of Secured Party, stamp on its records concerning the Collateral, a notation, in form satisfactory to Secured Party, of the security interest of Secured Party hereunder;

(e) It will not, without either the prior written consent of Secured Party or the approval of the Bankruptcy Court, sell or assign any Collateral to, or create any lien or security interest in the Collateral in favor of, anyone other than Secured Party hereunder; and

(f) After an Event of Default by the Borrower and absent a default by the Secured Party, all expenses incurred or paid by Secured Party in connection with enforcement of the Obligations or the exercise by Secured Party of any of its

rights or remedies hereinafter set out, including, without limitation, the reasonable fees and expenses of any attorney to whom this matter is referred for collection (whether or not litigation is commenced) or for representation in proceedings under any bankruptcy or insolvency shall be repaid by Borrower to Secured Party upon demand, with interest at the rate of fifteen percent (15%) per annum, and in the event said expenses are not repaid by Borrower, they shall become part of the Obligations and shall be secured hereby. Notwithstanding anything to the contrary in this Agreement, expenses incurred by Secured Party prior to an Event of Default or during its own default cannot be recovered.

5. Events of Default.

(a) If any "Event of Default" as specified herein shall occur, then, at the holder's option, exercisable in its sole discretion, all sums of principal and interest under this Note shall become immediately due and payable without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character.

(b) Any of the following shall constitute an "Event of Default:"

(i) Failure of the Borrower to pay Secured Party all principal and accrued and unpaid interest no later than June 30, 2001;

(ii) Dissolution of the Borrower, or the sale and liquidation other transfer, or encumbrance of all or any material part of the Borrower's assets, other than to Secured Party;

(iii) Merger or consolidation of the Borrower with any other entity, if the Borrower is not the surviving entity, or the surviving entity does not explicitly agree in writing to assume the Borrower's obligations under the Loan Agreement, the Note and the Security Agreement;

(iv) A decree or order is entered appointing a receiver or trustee for the Borrower or substantially all of its property under state or federal law; or

(v) An "Event of Default" under the Loan Agreement or the Note has occurred and is continuing.

6. Rights and Remedies in Event of Default.

(a) Upon the occurrence of any Event of Default, Secured Party may, at its discretion and without prior notice to Borrower declare any or all of the Obligations to be immediately due and payable, and shall have and may exercise any one or more of the following rights and remedies:

(i) Exercise all the rights and remedies upon default, in foreclosure and otherwise, available to secured parties under the provisions of the California Commercial Code and other applicable law;

(ii) Institute legal proceedings to foreclose upon and against the lien and security interest granted by this Security Agreement, to recover judgment for all amounts then due and owing as Obligations secured hereby and to collect the same out of any of the Collateral or the proceeds of any sale thereof;

(iii) Institute legal proceedings for the sale, under the judgment or decree of any court of competent jurisdiction, of any or all of the Collateral;

(iv) Personally or by agents or attorneys, enter upon any premises where the Collateral or any part thereof may then be located, and take possession of all or any part thereof and/or render it unusable, and without being responsible for loss or damage to such Collateral:

(A) Hold, store, and keep idle, or lease, operate, remove or otherwise use or permit the use of the Collateral or any part thereof, for such time and upon such terms as Secured Party may in its sole and complete discretion deem to be in its own best interest, and demand, collect and retain all hire, earnings and other sums due and to become due in respect of the same from any party whomsoever, accounting only for net earnings, if any (unless the Collateral is retained in satisfaction of the Obligations, in which case no accounting will be necessary), arising from such use (which net earnings may be applied against the Obligations) and charging against all receipts from the use of the same or from the sale thereof, by court proceedings or pursuant to subparagraph (B) below, all other costs, expenses, charges, damages and other losses resulting from such use;

(B) Sell, lease, dispose of, or cause to be sold, leased or disposed of, all or any part of the Collateral at one or more public or private sales, leasings or other dispositions, at such places and times and on such terms and conditions as Secured Party may deem fit, without any previous demand or advertisement but with reasonable notification to Borrower of any such sale, lease or other disposal; and except as herein provided, all notice of sale, lease or other disposition, advertisement, other notice or demand, any right or equity of redemption, and any obligation of a prospective purchaser or lessee to inquire as to the power and authority of Secured Party to sell, lease or otherwise dispose of the Collateral or as to the application by Secured Party of the proceeds of sale or otherwise, which would otherwise be required by, or available to

Borrower under, applicable law, are hereby expressly waived by Borrower to the fullest extent permitted by such law;

(v) Take possession of all accounting and other records pertaining to, and all writings evidencing, the Collateral or any portion thereof, together with all books, records and documents of Borrower related thereto in whatever form kept by Borrower, whether printed, or in magnetic tape or discs, or in other machine readable form, and all forms, programs, software and other materials and instructions necessary or useful to Secured Party in connection with such accounting and other records.

(b) At any sale pursuant to this Article 6, whether under the power of sale or by virtue of judicial proceedings, it shall not be necessary for Secured Party or a public officer under order of a court to have present physical or constructive possession of the Collateral to be sold. The recitals contained in any conveyances and receipts made and given by Secured Party or such public officer to any purchaser at any sale made pursuant to this Security Agreement shall, to the extent permitted by applicable law, conclusively establish the truth and accuracy of the matters therein stated (including, without limiting the generality of the foregoing, the amounts of the principal of and interest on the Obligations, the accrual and nonpayment thereof and advertisement and conduct of such sale in the manner provided herein and by applicable law); and all prerequisites to such sale shall be presumed to have been satisfied and performed. Upon any sale hereunder of any of the Collateral or any interest therein, the receipt of the officer making such sale under judicial proceedings or of Secured Party shall be sufficient discharge to the purchaser for the purchase money, and such purchaser shall not be obligated to see to the application thereof. Any sale hereunder of any of the Collateral or any interest therein shall forever be a perpetual bar against Borrower with respect to such Collateral.

(c) Borrower shall, after the occurrence of an Event of Default and at the request of Secured Party, notify the Account Borrowers or Obligors of the security interest of Secured Party in any Accounts and direct payment thereof to Secured Party. Secured Party may, itself, upon the occurrence of any Event of Default, so notify and direct any such Account Borrowers or Obligor and may take control of any proceeds to which it may be entitled hereunder.

(d) The proceeds of any sale or other disposition of Collateral authorized by this Security Agreement shall be applied by Secured Party first upon all expenses authorized by the Uniform Commercial Code and all reasonable attorneys' fees and legal expenses incurred by Secured Party for which Borrower is obligated under this Agreement; the balance of the proceeds of such sale or other disposition shall be applied in the payment of the Obligations, first to interest, then to principal; and the surplus, if any, shall be paid over to Borrower or to such other person or persons as may be entitled thereto under applicable law.



Borrower shall remain liable for any deficiency which it shall pay to Secured Party immediately upon demand.

No failure on the part of Secured Party to exercise, and no delay in exercising any rights hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Secured Party of any right hereunder preclude any other or further exercise thereof, or the exercise of any other right. Each and every right granted to Secured Party hereunder or under any document delivered hereunder or in connection herewith or allowed to Secured Party in law or in equity shall be deemed cumulative and may be exercised from time to time.

7. Miscellaneous Provisions.

(a) All notices required or permitted to be given pursuant to this Agreement shall be in writing, and shall be deemed given upon receipt if delivered personally, by telecopy, overnight courier service, and after five calendar days if mailed, by first class mail, to the following persons at their respective addresses as set forth herein:

AntEye.com  
11925 Wilshire Blvd., Suite 102  
Los Angeles, CA 90025  
Fax: (310) 312-4885

Neveric Capital, Inc.  
459 Clementina Street  
San Francisco, CA 94103  
Fax: (415) 2227-9531

(b). The laws of the State of California shall govern the construction, interpretation and enforcement of this Security Agreement and the rights, remedies and duties of the parties hereto. Wherever possible each provision of this Security Agreement shall be interpreted in such manner as to be effective and valid under governing law, but if any provision of this Security Agreement shall be prohibited by or invalid under governing law such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Security Agreement.

(c). Subject to the next sentence, this Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns. Notwithstanding the foregoing, neither Secured Party nor Borrower may assign or transfer any of its rights or obligations under this Security Agreement without the prior written consent of the other party, which consent may be withheld by such party in his or its absolute and sole discretion.

IN WITNESS WHEREOF, this Security Agreement has been duly executed as of the date first above written.

BORROWER:

ANTEYE.com

By: [Signature]  
Name: Weniger Kullmann  
Title: Vice President Finance

SECURED PARTY:

NEVERIC CAPITAL, INC.

By: [Signature]  
Name: Scott T. Smith  
Title: CEO

10434557V1

- 9 -

Exhibit A

LOCATION OF PLACE OF BUSINESS AND BUSINESS RECORDS:

ANTEYE.COM

ADDRESS: 11925 Wilshire Blvd., Suite 102  
Los Angeles, CA 90025

Exhibit B

PATENTS

<u>Country</u>	<u>Patent No.</u>	<u>Issue Date</u>	<u>Inventor(s) Name</u>	<u>Title</u>
		- None -		

Exhibit C

PENDING PATENT APPLICATIONS

<u>Country</u>	<u>Application Serial No.</u>	<u>Application Filing Date</u>	<u>Inventor(s) Name</u>	<u>Title</u>
USA	Not Available	-----	----	Proprietary Polling Process

Exhibit D

TRADEMARKS AND SERVICE MARKS

State or Country

Registration No.

Registration Date

Trademark or Service Mark

- None -

Exhibit E

PENDING TRADEMARK AND SERVICE MARK APPLICATIONS

<u>State or Country</u>	<u>Application Serial No.</u>	<u>Application Filing Date</u>	<u>Trademark or Service Mark</u>
			Galena Summit
			Digital Messiah
USA	SN78-022,623		AntEye.com
USA	SN78-022,620		AntEye.com
USA	SN78-022,617		AntEye.com
USA	SN-75-821,532		Spool [In/Out].com
USA	SN-75-821,531		Spool [In/Out].com

Exhibit F

COPYRIGHTS AND MASK WORKS

<u>Registration No.</u>	<u>Registration Date</u>	<u>Copyright Owner's Name</u>	<u>Title of Work</u>
			Jibangus Pilot David O. Russell Film (20% interest)



Exhibit G

PENDING COPYRIGHT AND MASK WORK APPLICATIONS

<u>Application Serial No.</u>	<u>Application Filing Date</u>	<u>Applicant's Name</u>	<u>Title of Work Title</u>
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- None -