

FORM PTO-1618A
Expires 08/30/99
OMB 0651-0027

05-10-2001

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK



101682687

**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
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year
01 31 01

Name

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)

- Individual General Partnership Limited Partnership

- Corporation Association

Other

Citizenship/State of Incorporation/Organization

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.)

FOR OFFICE USE ONLY

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:
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TRADEMARK
REEL: 002247 FRAME: 0490

FORM PTO-1618B
Expires 06/30/99
OMB 0851-0027

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

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)

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.

Jeffrey L. Eichen



2/5/01

Name of Person Signing

Signature

Date Signed

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Agreement") is made as of the 31st day of January, 2001, between NUMODA CORPORATION, a Delaware corporation (the "Debtor") in favor of PENNSYLVANIA BUSINESS BANK (the "Secured Party").

RECITALS

A. Debtor and Secured Party are parties to that certain Credit Agreement dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") pursuant to which Secured Party has agreed to make loans to the Debtor.

B. Pursuant to the terms of the Credit Agreement, the execution and delivery of this Agreement is a material condition precedent to the agreement of Secured Party to make loans to Debtor under the Credit Agreement.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration receipt of which Debtor hereby acknowledges, Debtor agrees as follows:

AGREEMENT

1. **Defined Terms.** Capitalized terms not otherwise defined herein shall have the meanings given in the Credit Agreement.

2. **Grant of Security Interest.** Debtor hereby grants to Secured Party a security interest in and a right of setoff against all of their now owned or hereafter acquired goods and other personal property, including all tangible and intangible items and including without limitation the following (collectively, the "Collateral"):

(a) **Equipment, Etc.** All of Debtor's rights, title and interest in equipment, supplies, fittings, furnishings, and other items of any kind ordered, obtained, or possessed by Debtor or for its account whether held by Debtor, by sellers under any contracts for the purchase of equipment or by others, whether completed or under construction, together with any product into which such equipment may be processed, manufactured or assembled and together with all additions and substitutions for such equipment and all parts, instruments, accessories, alterations, modifications, replacements, additions, fitting and accessions to said equipment, including all supplies, operating manuals, plans, specifications, improvements and tools therefor or thereto (the foregoing items shall collectively be referred to herein as the "Equipment").

(b) **Inventory, Etc.** All of Debtor's rights, title and interest in inventory and stock in trade of Debtor including without limitation raw materials, work in progress, materials used or consumed in Debtor's business, finished goods, returned goods and goods traded in (any and all such inventory, accessions and products being the "Inventory").

(c) **Fixtures.** All of Debtor's rights, title, and interest in and to all fixtures affixed to or to become affixed to any real property owned, leased or operated by Debtor or

otherwise used in connection with the business or operations of Debtor, including but not limited to, all fixtures affixed to or to become affixed to the real property (any and all such fixtures being the "Fixtures").

(d) Accounts, Contract Rights, Etc. All of Debtor's rights, title and interest in (i) all accounts, (ii) all contract rights, (iii) all chattel paper, (iv) all documents, documents of title, drafts, checks, acceptances, bonds, letters of credit, notes, instruments or other negotiable and non-negotiable instruments, bills of exchange, deposits, certificates of deposit, insurance policies and any other writings evidencing a monetary obligation or security interest in or a lease of personal property, (v) all licenses, leases, contracts or agreements, (vi) all judgments, choses in action and general intangibles which represent the right to receive the payment of money or other considerations; and (vii) all guarantees and other personal property securing the payment or performance of any of the foregoing (the foregoing items shall collectively be referred to herein as the "Accounts").

(e) General Intangibles. All of Debtor's general intangibles now or hereafter acquired of whatever nature and however evidenced, including without limitation all judgments, choses in action, computer software, patents, trademarks, trade names, service marks, licenses, copyrights and other intellectual property whether registered or not, and whether or not used or to be used by Debtor, including, with respect to all of said property, without limitation, all rights corresponding thereunder throughout the world, all renewals thereof, all license royalties with respect thereto, all claims for damages, profits and proceeds by reason of past, present and future infringements, and all rights to sue therefor.

(f) Deposits and Documents. All of Debtor's right, title, and interest in and to books, correspondence, credit files, records, invoices, and other documents, including without limitation all tapes, disks, cards, computer runs and other papers or documents in the possession or control of Debtor; and all balances, credits, deposits, accounts or monies of or in the name of Debtor in the possession or control of, or in transit to, Secured Party.

(g) Investment Property. All of Debtor's right, title and interest in investment property, including without limitation, all stocks, bonds, debentures, notes, bills, certificates, options, rights, shares, or other securities now or hereafter owned or acquired, all dividends or distributions in respect thereof and all brokerage or commodities accounts.

(h) Proceeds and Products. All proceeds of any and all of the foregoing Collateral and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is a loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss, damage, or otherwise, with respect to any of the foregoing Collateral.

3. Transfer of Instruments, Etc. Debtor agrees to transfer to Secured Party on the date hereof all instruments (including without limitation all securities), all letters of credit, and all chattel paper now owned and to transfer to Secured Party promptly upon receipt thereof, all instruments (including without limitation all securities) and chattel paper hereafter acquired. Without limiting the foregoing, if Debtor shall become entitled to receive or shall receive, in connection with any of its securities, any: (i) stock certificate, including without limitation any certificate representing a stock dividend or in connection with any increase or reduction of

capital, reclassification, merger, consolidation, sale of assets, combination of shares, stock split, spin-off, split-off or split-up; (ii) option, warrant, or right, whether as an addition to or in substitution or in exchange for any of its securities, or otherwise; (iii) dividend or distribution payable in property, including securities issued by other than the issuer of any of its securities; or (iv) dividends or distributions of any sort; then Debtor shall accept the same as Secured Party's agent, in trust for Secured Party, and shall deliver them forthwith to Secured Party in the exact form received, with, as applicable, Debtor's endorsement when necessary, or appropriate stock powers duly executed in blank, to be held by Secured Party, subject to the terms hereof, as part of the Collateral.

4. **Obligations Secured.** The security interest granted pursuant to this Agreement secures the full and timely payment and performance of the following indebtedness, liabilities and obligations (collectively, the "**Obligations**"):

(a) all indebtedness, liabilities and obligations of Debtor to Secured Party now or hereafter existing, whether joint or several, direct or indirect, absolute or contingent or due or to become due, howsoever evidenced, created, incurred or owing and whether or not evidenced by promissory notes or other evidences of indebtedness, and all modifications, renewals, extensions and rearrangements thereof and substitutions and replacements therefor, including, without limitation, the obligations of Debtor under the Credit Agreement and the other Loan Documents or any of the transactions contemplated thereby;

(b) all indebtedness, liabilities and obligations of Debtor now or hereafter existing under this Agreement;

(c) all indebtedness, liabilities and obligations of Debtor to Secured Party or any affiliate of Secured Party now or hereafter owing, under any agreement, whether or not in writing, relating to any transaction that is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction, currency swap, cross-currency rate swap, swaption, currency option or any other, similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing and including, without limitation, any interest due thereon, all fees, costs, and expenses incurred by Secured Party or any affiliate of Secured Party in connection therewith, and termination payments and indemnifications relating thereto; and

(d) all accrued interest on any of the foregoing indebtedness, liabilities and obligations, whether accruing prior to or subsequent to the commencement of a bankruptcy or similar proceeding.

5. **Ownership and Liens.** Debtor represents and warrants to Secured Party that (a) Debtor owns the Collateral and is not prohibited by contract or otherwise from subjecting the same to the security interest created hereby (except for leases and purchase money security interests entered into in the ordinary course of business and not prohibited under the Credit Agreement); and (b) the Collateral is free and clear of all security interests and encumbrances of every kind other than Liens created hereunder or under other Security Documents in favor of Secured Party and Liens expressly permitted by the Credit Agreement. Debtor will not create or

suffer to exist any Lien on the Collateral other than Liens created hereunder or under the other Security Documents in favor of Secured Party and other than Liens expressly permitted by the Credit Agreement. Neither Debtor nor its agents, servants or employees will sell, transfer, assign, lease or otherwise dispose of any item of Collateral in whole or in part except in the ordinary course of business. The Collateral is now and shall remain personal property, and Debtor will not permit any Collateral to become a fixture without prior written notice to and consent of Secured Party and without first making all arrangements, and delivering, or causing to be delivered, to Secured Party all instruments and documents, including, without limitation, waivers and subordination agreements by any landlords or mortgagees, requested by and satisfactory to Secured Party to preserve and protect the primary security interest granted herein against all persons. Debtor will fully and punctually perform any duty required of it in connection with the Collateral and will not take any action which will impair, damage or destroy Secured Party's rights with respect to the Collateral or hereunder or the value thereof.

6. Special Representation Relating to Accounts. To the knowledge of Debtor, the Accounts arise in bona fide transactions in the ordinary course of business without impediment to enforcement or collection thereof and there are no material offsets or counterclaims or defenses to payment which may be asserted against Debtor by Debtor's account debtor or payment obligors in respect of the Accounts.

7. Appointment of Secured Party. So long as any Obligation remains unpaid or Secured Party has any Commitment under the Credit Agreement, Debtor does hereby designate and appoint Secured Party its true and lawful attorney with power irrevocable, for it and in its name, place and stead, after an Event of Default has occurred and is continuing, to ask, demand, receive, receipt and give acquittance for any and all amounts which may be or become due or payable to Debtor with respect to the Collateral, and in Secured Party's sole discretion to file any claim or take any action or proceeding, or either, in its own name or in the name of Debtor, or otherwise, which Secured Party deems necessary or desirable in order to collect or enforce payment of any and all amounts which may become due or owing with respect to the Collateral. The acceptance of this appointment by Secured Party shall not obligate it to perform any duty, covenant or obligation required to be performed by Debtor under or by virtue of the Collateral or to take any action in connection therewith. Secured Party may also execute, on behalf of Debtor, any financing statements or other instruments which in its opinion may be necessary or desirable to perfect or protect its position with respect to the Collateral. Without limiting the generality of the foregoing, Secured Party is authorized at any time after an Event of Default to exercise any right of Debtor, or enforce any obligation owed to Debtor pursuant to the terms of any agreements to which Debtor is a party or in which it has any beneficial interest. Secured Party may, in its sole discretion, perform any obligation of Debtor under any of Debtor's contracts or in respect of any of Debtor's accounts, and any expenses incurred in such performance shall bear interest at a rate per annum equal from time to time to the Prime Rate plus 4% (the "Default Rate") from the date incurred until repaid by Debtor. Any such amounts shall be secured hereby and shall be repaid by Debtor on demand.

8. Taxes. Debtor will pay before delinquency any Taxes which are or may become through assessment or distraint or otherwise a lien or charge on the Collateral and will pay any Tax which may be levied on any Obligation secured hereby, except any Tax whose validity or amount is being contested in good faith by appropriate proceedings upon stay of execution of the

enforcement thereof and with provision having been made to the satisfaction of Secured Party for the payment thereof in the event the contest is determined adversely to Debtor.

9. Debtor's Place of Business; Location of Records and Collateral. Debtor represents that the address set forth below its signature to this Agreement is and will remain its principal place of business and the location of its chief executive offices and the address at which it will keep its records concerning the Collateral. Debtor represents and covenants that it has not done and that after the date hereof it will not do, business under any name other than its corporate name, without the prior written consent of Secured Party, with consent shall not be unreasonably withheld. From time to time, promptly upon request, Debtor will advise Secured Party of each location where any Tangible Collateral is located. The term "Tangible Collateral" as used herein shall mean all Equipment, Fixtures and Inventory which is or becomes included in the Collateral, and the term "Intangible Collateral" means all other personal property, including but not limited to, accounts, instruments, deposits, documents, fixtures, chattel paper, investment property, general intangibles, proceeds and products which is or will become included in the Collateral. With respect to the Tangible Collateral: (a) the Tangible Collateral is and will be used primarily for business purposes; and (b) all Tangible Collateral (other than Tangible Collateral in transit or which is otherwise transitory in nature) is and will be kept at the locations specified in Schedule 1 attached hereto and by this reference incorporated herein. Debtor will not move the location of their chief executive offices nor move their records concerning the Collateral unless Debtor shall have given Secured Party prior written notice of such move. Neither Debtor nor its agents, servants or employees will remove any of the Tangible Collateral (other than Tangible Collateral in transit or which is otherwise transitory in nature) from such locations (except for sales of Inventory, if any, in the ordinary course of a Debtor's business prior to an Event of Default hereunder) without the prior written consent of Secured Party and unless Secured Party's security interest therein continues at all times to be perfected as a lien of first priority (subject only to purchase money liens and statutory liens imposed by law (such as mechanics' liens) incurred in good faith in the ordinary course of business which are not delinquent or which remain payable without penalty or the validity or amount of which is being contested in good faith by appropriate proceedings upon stay of execution of the enforcement thereof with, in the case of liens on property of Debtor, provision having been made to the satisfaction of Secured Party for the payment thereof in the event the contest is determined adversely to Debtor) enforceable against all third parties in all jurisdictions as security for full and timely performance of the Obligations.

10. Books and Records; Inspection. Debtor agrees to maintain full and accurate books of account prepared and maintained in accordance with GAAP in all material respects, to the extent applicable, covering the Collateral and to deliver, upon request, to Secured Party such of the books and records as relate to the Collateral including, without limitation, all of the invoices, shipping documents, contracts, orders, order acknowledgments, correspondence and other instruments, electronically stored materials and papers in Debtor's possession relating to the Collateral. Secured Party shall at all reasonable times have free access to Debtor's ledgers, books of account and other written or electronic records evidencing or relating to the Collateral and the right to make and retain copies or memorandum of same, and shall after the occurrence and during the continuation of an Event of Default have the right to be present at Debtor's place of business to receive all communications and remittances relating to the Collateral.

11. Collections of Accounts, Etc. Until contrary notice is given by Secured Party, Debtor is specifically authorized to enforce and collect the Collateral described in Section 3(e) above in such manner as shall be commercially reasonable, to accept the return of goods and to reclaim, withhold or repossess goods as an unpaid seller. Until receipt of such notice, Debtor agrees to collect the payments upon or from said Collateral, at Debtor's expense, with due diligence. Upon notification by Secured Party to Debtor after the occurrence and during the continuation of an Event of Default to cease collecting upon said Collateral, Secured Party will proceed to collect said Collateral in a commercially reasonable manner and may deduct from the proceeds its reasonable expenses of collection. Secured Party is authorized to receive in full satisfaction of any obligor's obligation to any Debtor a commercially reasonable sum less than the face amount thereof. Debtor agrees that if any sums are received by it in respect to the Collateral after such notification by Secured Party, such sums shall be received in trust by Debtor and immediately shall be paid over by Debtor to Secured Party. Debtor agrees to hold Secured Party harmless from any claim, loss or damage caused by any failure to collect any obligation or to enforce any contract or by any act or omission on the part of Secured Party, its agents and employees, relating to the Collateral except for Secured Party's willful misconduct or gross negligence. The covenant set forth in the preceding sentence shall survive the termination of this Agreement.

12. Maintenance of Collateral. Debtor will keep all material Tangible Collateral, including but not limited to the Equipment, in good order, repair and operating condition, ordinary wear and tear excepted, will promptly make all repairs, renewals and replacements necessary to maintain such Collateral and will not cause or allow any of the Collateral to be misused or wasted or to deteriorate, ordinary wear and tear excepted. No part of the Collateral, including but not limited to the Equipment and the Fixtures, shall be disposed of except as permitted in the Credit Agreement. Secured Party may inspect the Collateral at reasonable times and intervals and may for this purpose enter any premises upon which the Collateral is located, including, but not limited to, the locations specified in Schedule 1 attached hereto.

13. Insurance on Collateral. Debtor will continuously maintain, or cause to be continuously maintained, insurance on all Tangible Collateral against loss or damage by fire, theft and such other risks as are customarily insured against by persons and businesses similarly situated to Debtor, in such amounts, with such insurers and under policies in such form, as shall be reasonably satisfactory to Secured Party. Secured Party shall be named as a loss payee on all such policies, and all such policies shall provide that they are not cancelable without thirty (30) days' prior written notice to Secured Party. At least thirty (30) days prior to the expiration of the term of any insurance policy, Debtor shall furnish Secured Party with written evidence of renewal or issuance of a satisfactory replacement policy. Debtor shall, if requested by Secured Party, obtain and deliver to Secured Party, from time to time, satisfactory original or duplicate policies or certificates of insurance, including any endorsements, to evidence Debtor's satisfaction of the insurance requirements hereunder. In the event of loss or damage with respect to any or all of the Tangible Collateral, Secured Party shall have the right to collect any and all insurance upon the Tangible Collateral and to apply the same at its option to any of the Obligations, whether or not matured, or to the restoration or repair of any or all of the Tangible Collateral.

14. Compliance With Laws. Debtor will ensure that its use of the Collateral will comply in all material respects with all applicable laws, ordinances, and regulations of Governmental Authorities.

15. Events of Default. The occurrence of any of the following events shall constitute an "Event of Default":

- (a) an Event of Default as defined in the Credit Agreement shall have occurred and be continuing;
- (b) any representation or warranty made or deemed made by Debtor under or in connection with this Agreement shall prove to have been incorrect in any material respect when made or deemed made; or
- (c) Debtor shall fail to perform or observe any other covenant, obligation or term of this Agreement.

16. Further Assurances. Debtor, at its sole cost and expense, will at any time and from time to time hereafter (a) execute such financing statements and other instruments and perform such other acts as may be necessary or as Secured Party may reasonably request to establish and maintain the security interests herein granted by Debtor to Secured Party and the first priority and continued perfection thereof; (b) obtain and promptly furnish to Secured Party evidence of all such Government Approvals as may be required to enable Debtor to comply with its obligations under this Agreement; and (c) execute and deliver all such other instruments and perform all such other acts as Secured Party may reasonably request to carry out the transactions contemplated by this Agreement.

17. Expenses Incurred by Secured Party. Secured Party is not required to, but may, at its option, pay any Tax, insurance premium, filing or recording fees, or other charges payable by Debtor hereunder and any such amount shall bear interest at the Default Rate from the date of payment until repaid. Such amounts shall be repayable by Debtor on demand and Debtor's obligation to make such repayment shall constitute an additional Obligation secured hereby.

18. Remedies Upon Default. If an Event of Default shall occur, Secured Party shall have all remedies provided by law and, without limiting the generality of the foregoing or the remedies provided in any other paragraph hereof or in any other Security Document, shall have the following remedies:

- (a) The remedies of a secured party under the Uniform Commercial Code;
- and
- (b) The right to make notification and pursue collection or, at Secured Party's option, to sell all or part of the Collateral and make application of all proceeds or sums due on the Collateral in accordance with the Credit Agreement; and
 - (c) The right to enter any premises where any of the Collateral is situated and take possession of such Collateral without notice or demand and without legal proceedings; and

(d) The right to exercise and enforce all of Debtor's rights under any contracts or any other agreement to which Debtor is a party or of which Debtor is a beneficiary; and

(e) All other remedies which may be available in law or equity.

At the request of Secured Party, Debtor will assemble the Tangible Collateral and make it available to Secured Party at a place designated by Secured Party. To the extent that notice of sale shall be required by law to be given, Debtor agrees that a period of ten (10) days from the time the notice is sent shall be a reasonable period of notification of a sale or other disposition of Collateral by Secured Party, and that any notice or other communication from Secured Party to Debtor pursuant to this Agreement or required by any statute may be given to Debtor at the address set forth under their names on the signature page hereof. Debtor agrees to pay on demand the amount of all expenses incurred by Secured Party in protecting and realizing on the Collateral and Debtor further agrees that if this Agreement or any Obligation is referred to an attorney for protecting or defending the priority of Secured Party's interest in the Collateral or for collecting or realizing thereon, Debtor shall pay all of Secured Party's expenses, including without limitation reasonable attorneys' fee and costs and expenses of title search and all court costs and costs of public officials and Debtor further agrees that their obligations to pay such amounts shall bear interest at the Default Rate from the date such expenditures are made by Secured Party until repaid and shall be secured hereby. Debtor agree to pay any deficiency remaining after collection or realization by Secured Party on the Collateral.

19. **Release of Collateral, Etc.** The obligations of Debtor shall not be affected by the release or substitution of any collateral or by the release of or any renewal or extensions of time to any party to any instrument, obligation or liability secured hereby or to which Debtor is a party. Secured Party shall not be bound to resort to or exhaust its recourse or to take any action against other parties or other collateral. Debtor hereby waives presentment, demand, protest, notice of protest and notice of non-acceptance or non-payment with respect to any indebtedness, obligation or liability secured hereby.

20. **Hold Harmless.** Debtor will indemnify and hold Secured Party and its agents, successors, heirs and assigns (each an "Indemnified Party") harmless from all liability, loss, damage or expense, including reasonable attorneys' fees and costs, that the Indemnified Party may incur resulting from, arising out of or relating to Indemnified Party's good faith efforts to comply with or enforce the terms of this Agreement or the Obligations, provided, however, said indemnification shall not apply to the extent that any such liability, loss, damage or expense arises out of or is based solely upon the Indemnified Party's willful misconduct or gross negligence. The covenants set forth in this Section 20 shall survive the termination of this Agreement.

21. **Notices.** All notices and other communications provided for in this Agreement shall be given in the manner and to the addresses as required by the Credit Agreement.

22. **No Waiver; Remedies Cumulative.** This Agreement shall not be qualified or supplemented by course of dealing. No amendment, modification, termination or waiver of any provision of this Agreement, and no consent to any departure by Debtor therefrom, shall in any event be effective unless the same shall be in writing and signed by Secured Party and, in the

case of any such amendment or modification, by Debtor. No waiver or indulgence by Secured Party as to any required performance by Debtor shall constitute a waiver as to any required performance or other obligations of Debtor hereunder. The exercise of any right, power, or remedy shall in no event constitute a cure or waiver of any Event of Default nor prejudice the right of Secured Party in the exercise of any right hereunder or thereunder. The rights and remedies provided herein are cumulative and not exclusive of any right or remedy provided by law.

23. Assignment. Secured Party may assign or transfer the whole or any part of the Obligations and may transfer therewith as collateral security the whole or any part of the Collateral and all obligations, rights, powers and privileges herein provided shall inure to the benefit of the assignee to the extent of such assignment.

24. Severability. In case any one or more of the provisions contained in this Agreement is invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions will not in any way be affected or impaired thereby in any other jurisdiction; and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

25. Governing Law. This Agreement shall be construed and enforced in accordance with the internal laws of the Commonwealth of Pennsylvania (excluding its conflict of laws rules) except where the location of Collateral requires that the creation, validity, perfection, or enforcement of the security interests provided for herein may be governed by the laws of the jurisdiction where such Collateral is located.

26. Consent to Jurisdiction. Debtor hereby irrevocably submits to the non-exclusive jurisdiction of any state or federal court sitting in Philadelphia, Pennsylvania, in any action or proceeding brought to enforce or otherwise arising out of or relating to this Agreement and irrevocably waives to the fullest extent permitted by law any objection which it may now or hereafter have to the laying of venue in any such action or proceeding in any such forum, and hereby further irrevocably waives any claim that any such forum is an inconvenient forum. Debtor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law. Nothing herein shall impair the right of Secured Party to bring any action or proceeding against Debtor or its property in the courts of any other jurisdiction.

27. Waiver of Jury Trial. DEBTOR HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER AGREEMENT ENTERED INTO IN CONNECTION THEREWITH, ANY OF THE TRANSACTIONS CONTEMPLATED THEREBY OR ANY OF THE ACTIONS OF ANY PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

28. Successors. This Agreement inures to the benefit of Secured Party and its successors and assigns, and shall bind the successors and assigns of each Debtor. Debtor may not assign its rights and obligations hereunder without the prior written consent of Secured Party.

29. Other Agreements. The terms of this Agreement are intended to supplement and not to replace or be replaced by the terms of the other Security Documents and the rights and remedies herein provided to Secured Party are intended to be cumulative of and in addition to all rights and remedies conferred by the other Security Documents.

30. Agreement Filed as Financing Statement. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

IN WITNESS WHEREOF, Debtor has executed this Security Agreement as of the date and year first above written.

DEBTOR:

NUMODA CORPORATION

By  _____
Mary Schalteen
President

Address: The Curtis Center, 9th Fl
601 Walnut Street
Philadelphia, PA 19106
Attn: President

Facsimile:

SCHEDULE 1

Schedule 1 Locations of Inventory and Equipment