



Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)
Tab settings ⇌ ⇌ ⇌ ▼ ▼ ▼ ▼ ▼ ▼

101717835
TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): S-701
Solbright, Inc.
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State Delaware
 Other _____
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: The Travelers Insurance Company
Internal Address: c/o Citigroup Investments Inc.
Street Address: 399 Park Avenue
City: New York State: NY Zip: 10022
 Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State Connecticut MAY - 7 2001
 Other _____
If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
Execution Date: April 23, 2001

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
75/240,051
Additional number(s) attached Yes No

B. Trademark Registration No.(s)
2,181,962

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Richard L. Moss, Esq.
Internal Address: Kramer Levin Naftalis & Frankel LLP
Street Address: 919 Third Avenue
City: New York State: NY Zip: 10022

6. Total number of applications and registrations involved: 8
7. Total fee (37 CFR 3.41).....\$ 215.00
 Enclosed
 Authorized to be charged to deposit account
8. Deposit account number:
50-0540
(Attach duplicate copy of this page if paying by deposit account)

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.
Richard L. Moss [Signature] 05/04/01
Name of Person Signing Signature Date
Total number of pages including cover sheet, attachments, and document: 24

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

00000044 75240051
40.00 DP
175.00 DP

RECORDATION FORM COVER SHEET CONTINUATION TRADEMARKS ONLY

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional 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

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 the Assignment.)

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

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

Mark if additional numbers attached

Trademark Application Number(s)

Registration Number(s)

75/410,342	<input type="text"/>	<input type="text"/>
75/874,293	<input type="text"/>	<input type="text"/>
75/756,384	<input type="text"/>	<input type="text"/>
75/769,687	<input type="text"/>	<input type="text"/>
75/874,295	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

2,349,322	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

NOTE PURCHASE AND SECURITY AGREEMENT

THIS NOTE PURCHASE AND SECURITY AGREEMENT (this "Agreement") is dated as of April 9, 2001, among Solbright, Inc., a Delaware corporation (the "Company"), and the entities identified on Annex I hereto (collectively, the "Purchasers").

WHEREAS, the Company desires to sell to Purchasers its 12% Secured Discount Notes due May 15, 2001 (the "Notes") with an aggregate original issue price of up to \$800,000; and

WHEREAS, the Company wishes to secure its obligations to pay interest, principal and other amounts on the Notes and its obligations to the Purchasers under this Agreement (collectively, the "Obligations") by granting to the Purchasers a first priority perfected security interest in the Collateral (as hereinafter defined);

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties agree as follows:

SECTION 1. Issuance, Sale and Purchase of Securities. Upon the terms and subject to the conditions contained in this Agreement, the Company has authorized the issuance to the Purchasers of \$800,000 in aggregate original issue price of Notes. The Notes will bear interest at 12% per annum of the original issue price, payable on May 15, 2001, as such date may be extended pursuant to the terms of the Notes ("Maturity"). At Maturity, principal of the Notes shall be payable in an amount equal to twice the original issue price.

SECTION 2. Closing. The closing of the purchase and sale of Notes (the "Closing") shall take place at the offices of the Company. On the Closing date, the Company shall deliver to each Purchaser one or more Notes, such Note being substantially in the form of the Note attached as Exhibit A hereto, in the aggregate original issue price of Notes set forth opposite such Purchaser's name on Annex I hereto. Each Purchaser shall make full payment in respect of the Notes by a check or wire transfer in an aggregate amount equal to the original issue price of the Notes being acquired by such Purchaser.

SECTION 3. Representations and Warranties of the Company. The Company hereby represents and warrants to the Purchasers as follows:

3.1 Organization, Qualifications and Corporate Power. (a) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the state of Delaware and is duly licensed or qualified to transact business as a foreign corporation and is in good standing in each jurisdiction in which the nature of the business transacted by it or the character of the properties owned or leased by it requires such licensing or qualification, except where the failure to be so qualified would not reasonably be expected to have a material adverse effect on the business or financial condition of the Company (a "Material Adverse Effect"). The Company has the corporate power and authority to own and hold its properties and to carry on its business as now conducted and as proposed to be conducted, to execute, deliver and perform this

Agreement, to issue, sell and deliver the Notes and to pay the Obligations. The Company's principal executive offices are located at 212 Fifth Avenue, New York, New York 10010.

(b) The Company does not (i) own of record or beneficially, directly or indirectly, (A) any shares of capital stock or securities convertible into capital stock of any other corporation or (B) any participating interest in any partnership, joint venture or other non-corporate business enterprise or (ii) control, directly or indirectly, any other entity.

3.2 Authorization of Agreement, Etc. The execution, delivery and performance by the Company of this Agreement, the Notes and each other document or instrument contemplated hereby (collectively, the "Financing Documents") have been duly authorized by all requisite corporate action by the Company; the Financing Documents have been duly executed and delivered by the Company; and each of the Financing Documents is or will be the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as the enforceability of each may be limited by bankruptcy, insolvency, receivership, conservatorship, liquidation, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally (including without limitation fraudulent conveyance laws), or by general principles of equity.

3.3 No Conflicts. The execution, delivery and performance by the Company of the Financing Documents, the issuance, sale and delivery of the Notes, and compliance with the provisions hereof and thereof by the Company, will not (a) violate any provision of any law, statute, rule or regulation applicable to the Company or any ruling, writ, injunction, order, judgment or decree of any court, arbitrator, administrative agency or other governmental body applicable to the Company or any of its properties or assets or (b) conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute (with notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, or result in the creation of, any Encumbrance upon any of the properties or assets of the Company under, the Certificate of Incorporation or By-laws of the Company or any agreement or instrument to which the Company is a party. As used herein, "Encumbrance" shall mean any liens, charges, encumbrances, equities, claims, options, proxies, pledges, security interest, or other similar rights of any nature.

3.4 Approvals. Except for the filing of any notice subsequent to the Closing which may be required under applicable federal or state securities law (which, if required, shall be filed on a timely basis as may be so required), no permit, authorization, consent or approval of or by, or any notification of or filing with, any person or entity (governmental or private) is required in connection with the execution, delivery or performance of the Financing Documents by the Company and consummation by the Company of the transactions contemplated hereby and thereby.

3.5 Capitalization. The authorized capital stock of the Company consists of (i) 35,000,000 shares of Preferred Stock, \$0.01 par value, 3,161,022 shares of which have been designated Series B Convertible Preferred Stock, 11,320,754 shares of which have been designated Series C Convertible Preferred Stock (of which 9,056,604 shares are designated as

Series C-1 Convertible Preferred Stock and 2,264,150 shares are designated as Series C-2 Non-Voting Convertible Preferred Stock), and 10,928,961 shares of which have been designated Series D Convertible Preferred Stock, and (ii) 65,000,000 shares of Common Stock, \$0.01 par value. As of the date hereof, there are issued and outstanding 3,161,022 shares of Series B Convertible Preferred Stock, 8,299,854 shares of Series C-1 Convertible Preferred Stock, 756,750 shares of Series C-2 Non-Voting Convertible Preferred Stock, 2,453,540 shares of Series D Convertible Preferred Stock and 6,862,982 shares of Common Stock, all of which shares are validly issued and outstanding, fully paid and nonassessable, with no personal liability attached to the ownership thereof as a result of any action or inaction on the part of the Company, and no other shares of capital stock have been issued or authorized. An aggregate of 3,161,022 shares of Common Stock has been reserved for issuance upon conversion of the Series B Convertible Preferred Stock. An aggregate of 9,056,624 shares of Common Stock has been reserved for issuance upon conversion of the Series C Convertible Preferred Stock, of which an aggregate of 756,750 shares has been reserved for issuance upon conversion of the Series C-2 Non-Voting Convertible Preferred Stock. An aggregate of 10,928,961 shares of Common Stock has been reserved for issuance upon conversion of the Series D Convertible Preferred Stock. An aggregate of 8,436,538 shares of Common Stock has been reserved for future issuance pursuant to the Company's Stock Option and Restricted Stock Purchase Plan and pursuant to other options, warrants and other rights (contingent or other) to purchase or otherwise acquire equity securities of the Company. Except as provided for in the Certificate of Incorporation of the Company, the Company has no obligation (contingent or other) to purchase, redeem or otherwise acquire any of its equity securities or any interest therein or to pay any dividend or make any other distribution in respect thereof.

3.6 Litigation; Compliance with Law. (a) There is no (i) action, suit, claim, proceeding or investigation pending or, to the Company's knowledge, threatened against the Company, at law or in equity, or before or by any Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which would reasonably be expected to have a Material Adverse Effect. The Company is not in default with respect to any order, writ, injunction or decree known to or served upon the Company of any court or of any foreign or domestic, federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign. There is no action or suit by the Company pending, threatened or contemplated against others.

(b) To the Company's knowledge, the Company has complied with all laws, rules and regulations applicable to it, except where the failure to be so in compliance would not be reasonably expected to result in a Material Adverse Effect. The Company has all necessary material permits, licenses and other authorizations required to conduct its business as conducted and as proposed to be conducted, except where the failure to obtain any such permit, license or authorization would not reasonably be expected to have a Material Adverse Effect.

3.7 U.S. Real Property Holding Corporation. The Company is not now or has ever been a "United States real property holding corporation", as defined in Section 897(c)(2) of the Internal Revenue Code of 1986, as amended, and Section 1.897-2(b) of the Treasury

Regulations promulgated thereunder, and the Company has filed with the Internal Revenue Service all statements, if any, with its United States income tax returns which are required under Section 1.897-2(h) of such Regulations.

3.8 Brokers. The Company has no contract, arrangement or understanding with any broker, finder or similar agent with respect to the sale of Notes hereunder contemplated by this Agreement, nor will any such person be entitled to any fee or commission directly or indirectly from the Company or any of its stockholders, officers or directors in connection with the sale of Notes hereunder.

3.9 Investment Company. The Company is not an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

3.10 Ownership of Collateral. The Company is the sole owner of (or, in the case of after-acquired Collateral, at the time the Company acquires rights in the Collateral, will be the sole owner of) and has (or will have) good and marketable title to the Collateral, free and clear of all Encumbrances. Except for security interests in favor of the holders of the Notes granted pursuant to this Agreement, no person has (or, in the case of after-acquired Collateral, at the time the Company acquires rights therein, will have) any right, title, claim, or interest (by way of security interest or other Encumbrance) in, against or to the Collateral, other than Permitted Liens (as hereinafter defined).

SECTION 4. Representations and Warranties of Each Purchaser. Each Purchaser, severally as to itself and not as to any other Purchaser, represents and warrants to the Company as follows:

(a) it is an "accredited investor" within the meaning of Rule 501 under the Securities Act of 1933, as amended (the "Securities Act"), and was not organized for the specific purpose of acquiring the Notes;

(b) it has sufficient knowledge and experience in investing in companies similar to the Company in terms of the Company's stage of development so as to be able to evaluate the risk and merits of its investment in the Company and it is able financially to bear the risks thereof;

(c) it has had an opportunity to discuss the Company's business, management and financial affairs with the Company's management;

(d) the Notes it is acquiring are for its own account for the purpose of investment and not with a view to or for sale in connection with any distribution thereof.

(e) it understands that (i) the Notes have not been registered under the Securities Act by reason of their issuance in a transaction exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof or rule 505 or 506 promulgated under the

Securities Act, (ii) the Notes must be held indefinitely unless a subsequent disposition thereof is registered under the Securities act or is exempt from such registration, (iii) the Notes will bear a legend to such effect and (iv) the Company will make a notation on its transfer books to such effect.

SECTION 5. Security Interest.

5.1. Collateral. As security for the payment when and as due of the Obligations, the Company grants to the Purchasers, pro rata, a first priority security interest in all of the following types of its property in which it has a right or interest now existing or hereafter acquired or arising, wherever such property is located or situated, including all parts, accessions, substitutions, replacements, proceeds (including all cash received in respect thereof) and products thereof, thereto and therefor:

(a) all inventory and other goods which, in connection with its business are held or being processed for sale or lease or to be furnished under contracts of service, or have been so furnished, including raw materials, work in progress, finished goods, and materials and supplies used or consumed in its business ("Inventory");

(b) all accounts, accounts receivable, receivables, contracts, contract rights and leases, and all other rights to payment, whether or not evidenced by an instrument or chattel paper and whether or not payment has been earned by performance (collectively, "Accounts");

(c) all instruments, negotiable instruments, and all other writings which evidence a right to the payment of money which is in the ordinary course of business transferred by delivery with any necessary endorsement or assignment ("Instruments"), and all documents of title and other documents which in the regular course of business or financing are treated as adequately evidencing that a person in possession is entitled to receive, hold and dispose of the document and the goods it covers ("Documents");

(d) all (i) copyrights, copyright registrations and applications for copyright registration, including, without limitation, all renewals and extensions thereof, the right to recover for all past, present and future infringements thereof, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto (collectively, "Copyrights"), (ii) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein together with the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, the right to sue for past, present and future infringements thereof, and all rights corresponding thereto throughout the world ("Patents"), and (iii) trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, prints and labels on which said trademarks, corporate names, company names, business names, fictitious business names, trade names, trade styles and service marks have appeared or appear, designs and general intangibles of like nature, and the goodwill associated therewith, now existing or hereafter

adopted or acquired, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof, all whether now owned or hereafter acquired (collectively, "Trademarks") together with (A) all inventions, processes, production methods, proprietary information, know-how and trade secrets used or useful in its business; (B) all licenses or user or other agreements granted to it with respect to any of the foregoing, in each case whether now or hereafter owned or used; (C) 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, catalogs, computer and automatic machinery software and programs, and the like; (D) all field repair data, sales data and other information relating to sales or service of products now or hereafter manufactured; (E) all accounting information and all media in which or on which any of the information or knowledge or data or records may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data; (F) all licenses, consents, permits, variances, certifications and approvals of governmental agencies now or hereafter held; and (G) all causes of action, claims and warranties now or hereafter owned or acquired in respect of any of the items listed above;

(f) all "equipment", as such term is defined in the Uniform Commercial Code as in effect from time to time in the State of New York (the "Uniform Commercial Code"), other than the equipment set forth on Schedule 5.1 hereto, now owned or hereafter acquired wherever located, together with all additions and accessions thereto, replacements therefor, all parts therefor, all substitutes for any of the foregoing, fuel therefor, and all manuals, drawings, instructions, warranties and rights with respect thereto, and all products and proceeds thereof and insurance proceeds with respect thereto ("Equipment");

(g) all "contracts", as such term is defined in the Uniform Commercial Code, now owned or hereafter acquired or entered into by it and, in any event, including all contracts, undertakings, or agreements (other than rights evidenced by Chattel Paper (as defined below), Documents or Instruments) in or under which it may now or hereinafter have any right, title or interest, including any agreement relating to the terms of payment or the terms of performance of any Account, other than the contracts set forth on Schedule 5.1 hereto ("Contracts");

(h) all chattel paper, including any writing or writings which evidence both a monetary obligation and a security interest in or a lease of specific goods, and, when a transaction is evidenced both by a security agreement or a lease and by an instrument or a series of instruments, the group of writings taken together ("Chattel Paper");

(i) all books and records (including computer databases and software for accessing it) related to any of the foregoing; and

(j) all other tangible or intangible property (except for that identified on Schedule 5.1), including, without limitation, all proceeds, products and accessions of and to any

of the property described in clauses (a) through (i) above in this Section 5.1 (including, without limitation, any proceeds of insurance thereon), and, to the extent related to any property described in said clauses or such proceeds, products and accessions, all books, correspondence, credit files, records, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under its control or any computer bureau or service company from time to time acting for it.

All of the foregoing property described in this Section 5.1 and any part thereof is hereinafter called the "Collateral".

5.2 Intellectual Property.

(a) As of the date hereof, the Company does not own or use any Copyrights, Patents or Trademarks or any Copyrights, Patents or Trademarks registered in, or the subject of pending applications in, the United States Copyright Office or United States Patent and Trademark Office or any similar office or agency of any other country or any political subdivision thereof, other than those described in Schedules 5.2(a), 5.2(b) and 5.2(c) hereto, respectively.

(c) The Company further warrants that it is aware of no significant third party claim that any aspect of its present or contemplated business operations infringes or will infringe any Trademarks. The Company represents and warrants that all United States Trademark registrations and applications listed in Schedule 5.2(c) hereto are valid, subsisting, have not been canceled and that the Company is not aware of any third-party claim that any of said registrations is invalid or unenforceable. To the best knowledge of the Company, it has used the Trademarks to identify itself and the goods and services covered by the Trademarks and all registrations thereof are subsisting and in full force and effect.

(d) The Company represents and warrants that it owns or is licensed to practice under all Patents and Copyrights that it now owns or practices under, and it is aware of no significant third party claim that any aspect of the Company's present or contemplated business operations infringes or will infringe any Patent or any Copyright of any third party. The Copyrights shown on Schedule 5.2(a) hereto, unless otherwise stated therein, are duly recorded or filed for recording in the United States Copyright Office. The Patent registrations shown on Schedule 5.2(b) hereto, unless otherwise stated therein, are valid and subsisting and in full force and effect. None of the Patents has been abandoned or dedicated, and, except to the extent that a majority in interest of the Purchasers, upon prior written notice by the Company, shall consent, the Company will not do any act, or omit to do any act, whereby the Patents may become abandoned or dedicated and shall notify the Purchasers immediately if it knows of any reason or has reason to know that any application or registration may become abandoned or dedicated.

(e) In the event that the Company, either itself or through any agent, employee, licensee or designee, shall (i) file an application for the registration of any Copyright, Patent or Trademark with the United States Copyright Office or United States Patent and Trademark Office or any similar office or agency of any other country or any political

subdivision thereof or (ii) file any assignment of any Copyright, Patent or Trademark that the Company may acquire from a third party, with the United States Copyright Office or United States Patent and Trademark Office or any similar office or agency of any other country or any political subdivision thereof, the Company shall, prior to or promptly after such filing, notify the Purchasers thereof, and upon request of any Purchaser, execute and deliver any and all assignments, agreements, instruments, documents and papers as such Purchaser may reasonably request to evidence the Purchasers' interest in such Copyright, Patent or Trademark and the goodwill and general intangibles of the Company relating thereto or represented thereby, and the Company hereby constitutes each Purchaser its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Obligations are paid in full.

(f) The Company will perform all acts and execute all documents, including, without limitation, assignments for security in form suitable for filing with the United States Copyright Office and United States Patent and Trademark Office, substantially in the forms of Exhibit X, Exhibit Y and Exhibit Z hereto, respectively, reasonably requested by any Purchaser at any time to evidence, perfect, maintain, record and enforce the Purchasers' interest in the Collateral or otherwise in furtherance of the provisions of this Agreement.

(g) The Company will take all steps reasonably necessary in any proceeding before the United States Copyright Office or United States Patent and Trademark Office or any similar office or agency of any other country or any political subdivision thereof, to maintain each application and registration of the Copyrights, Trademarks and Patents.

(h) The Company assumes all responsibility and liability arising from the use of the Copyrights, Patents and Trademarks, and the Company hereby indemnifies and holds each Purchaser harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of any alleged defect in any product manufactured, promoted or sold by the Company in connection with any Copyright, Patent or Trademark or out of the manufacture, promotion, labeling, sale or advertisement of any such product by the Company. The Company agrees that none of the Purchasers shall have any responsibility for the payment of any sums due or to become due under any agreement or contract included in the Collateral or the performance of any obligations to be performed under or with respect to any such agreement or contract by the Company, and the Company hereby indemnifies and holds each Purchaser harmless with respect to any and all claims by any person relating thereto.

(i) All licenses of its Copyrights, Trademarks and Patents which the Company has granted to third parties are set forth on Schedule 5.2(d) hereto.

5.3. Location and Use of Collateral. The Company (a) shall keep all Inventory and all records pertaining to Collateral, at its chief executive office or as it may designate in a writing delivered to the Purchasers at least 30 days before moving such Collateral or records to another place, and may use such Collateral only for purposes for which it is commonly employed in the Company's type of business; (b) on or prior to the date hereof or as soon as practicable

thereafter but in any event within 21 days after such an item of property becomes Collateral, shall deliver to the Travelers Insurance Company, as agent for the Purchasers (the "Agent") all Instruments, Documents and Chattel Paper that are Collateral, with all endorsements or assignments necessary, or in the Agent's judgment reasonably appropriate, for each item of such Collateral to be transferable; and (c) shall keep the proceeds of all Collateral segregated from property that is not Collateral or proceeds thereof so that it may readily be identified as proceeds of Collateral. The Agent shall not have any liability or obligation to any Purchaser or the Company in respect of such Collateral, except to the extent of its own recklessness or willful misconduct.

5.3. Financing Statements and Notice. The Company hereby authorizes the Purchasers, without notice or the signature of the Company, to file any financing statements and any amendments thereto or continuations thereof, naming the Company as debtor and the Purchasers as secured parties. At any Purchaser's request, the Company will join with the Purchasers in executing any such financing statements, amendments or continuations. In order to perfect, maintain or protect their security interest, the Purchasers may give notice of its security interest in Collateral and may deliver a copy of this Agreement to any Person.

5.4. Preservation of Collateral and Security Interest.

(a) The Company shall maintain tangible Collateral in at least as good condition as it is on the date hereof or when acquired by the Company, ordinary wear and tear excepted, and not permit anything to be done that will materially impair the value of any Collateral. The Company shall at all times keep accurate and complete records with respect to Collateral and shall furnish to the Purchasers upon request copies of its records relating to Collateral and all additional information reasonably requested by them. Each Purchaser shall, during reasonable business hours and upon notice given two business days in advance, have the right to enter upon the Company's premises, inspect Collateral, and examine and make copies of records relating to Collateral at the Company's expense.

(b) The Company shall not make an assignment, pledge, mortgage, or other transfer of Collateral or any interest in it other than in the ordinary course of its business, and shall keep all Collateral free from all Encumbrances; provided, however, that the foregoing limitations shall not apply to (i) purchase money security interests or capital lease transactions in connection with the purchase of Equipment to be used by the Company in the ordinary course of its business, (ii) any lien for taxes not yet due or delinquent or being contested in good faith by appropriate proceedings for which adequate reserves have been established or (iii) such other dispositions of Collateral as a majority in interest of the Purchasers may approve in writing in advance (the Encumbrances described in clauses (i) through (iii), "Permitted Encumbrances"). Within ten days of its occurrence, the Company shall give written notice to the Purchasers of any material loss of, or material damage to, Collateral; it shall give immediate written notice to the Purchasers of any Encumbrance, other than a Permitted Encumbrance, against or upon Collateral having any material value which shall not be discharged, released or satisfied within ten days. The Purchasers, at their option, may pay or cause the discharge of taxes or Encumbrances at any time levied or placed on Collateral, take any action to maintain and preserve Collateral and

remedy any breach of the Company hereunder. The Company shall do, execute and deliver all additional acts, deeds, and instruments as any Purchaser may reasonably require, to more completely vest in and assure to the Purchasers their rights hereunder.

5.5. Limitation on Modifications of Accounts. Except as provided in the succeeding sentence, the Company will not, without the prior written consent of a majority in interest of the Purchasers, grant any extension for the time of payment of any of the Accounts, compromise, compound or settle the same for less than the full amount thereof, release, wholly, or partly, any person liable for the payment thereof, or allow any credit or discount thereon other than extensions, credits, discounts, compromises or settlements granted or made in the ordinary course of business. So long as no Event of Default (as hereinafter defined) has occurred and is continuing, the Company may allow in the ordinary course of business as adjustments to amounts owing under its Accounts an extension or renewal of the time or times of payment, or the settlement for less than the total unpaid balance, which it finds appropriate in accordance with sound business judgment.

5.6 Release of Security Interest. The Purchasers agree that, notwithstanding that some or all of the Obligations may be outstanding, the security interest created by this Agreement and any related security documents shall be released if, after the date of this Agreement, the Company raises at least \$2 million in cash by selling equity securities to investors that are not currently stockholders of the Company or affiliates of such stockholders; provided that the security interest will not be released if an Event of Default has occurred and is continuing. The Purchasers shall do, execute and deliver all additional acts, deeds, and instruments as the Company may reasonably require, to more completely effectuate any release provided by this paragraph. The Company will pay the costs of preparing and filing any documents required or requested by the Company in connection with any such release.

SECTION 6. Events of Default.

6.1 Definitions. In each case of the happening of the following events (each of which is an "Event of Default"):

(a) if any representation or warranty of the Company made herein or in any agreement or instrument executed in connection herewith shall prove to have been false or misleading in a material respect when made;

(b) if a default occurs in the payment of any principal or interest with respect to the Notes, whether at the due date thereof or upon acceleration thereof, and such default remains uncured for five business days;

(c) if a default in any material respect occurs in the due observance or performance of any covenant or agreement on the part of the Company to be observed or performed (other than a default described in clause (a) or (b) above) pursuant to the terms of this Agreement, the Notes or any other agreement or instrument executed in connection herewith and such default remains uncured for 30 days;

(d) if the Company shall (1) discontinue its business, (2) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of it or any of its property, (3) admit in writing its inability to pay its debts as they mature, (4) make a general assignment for the benefit of creditors, or (5) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors, or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation laws or statutes, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law;

(e) if there shall be filed against the Company an involuntary petition seeking reorganization of the Company or the appointment of a receiver, trustee, custodian or liquidator of the Company or a substantial part of its assets, or an involuntary petition under any bankruptcy, reorganization or insolvency law or any jurisdiction, whether now or hereafter in effect (any of the foregoing petitions being hereinafter referred to as an "Involuntary Petition") and such Involuntary Petition shall not have been dismissed within 60 days after it was filed;

(f) if one or more final judgments for the payment of money in excess of an aggregate of \$250,000 shall be rendered against the Company and the same shall remain undischarged for a period of 30 consecutive days, during which time execution shall not be effectively stayed; or

(g) if a default in any material respect occurs in the due observance or performance of any material covenant, condition or agreement on the part of the Company under any debt instrument having a value of more than \$250,000, and such default shall permit the holder thereof to accelerate such indebtedness (whether or not such holders shall have in fact accelerated);

then, upon each and every such Event of Default and at any time thereafter during the continuance of any such Event of Default, at the election of the holders of at least a majority of the outstanding principal amount of all Notes, the Notes and any and all other indebtedness of the Company to the Purchasers shall immediately become due and payable (except in the case of an Event of Default under paragraphs (d) or (e) of this Section 6.1, in which event such indebtedness shall automatically become due and payable), both as to principal and interest (including any deferred interest and any accrued and unpaid interest), without presentment, demand, or protest, all of which are hereby expressly waived, anything contained herein or in the Notes or other evidence of such indebtedness to the contrary notwithstanding.

6.2 Remedies on Default, etc. In case any one or more Events of Default shall occur and be continuing and acceleration of the Notes or any other indebtedness of the Company to the Purchasers shall have occurred, the Purchasers may, inter alia, proceed to protect and enforce their rights by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained in this Agreement or the Notes, or for an injunction against a violation of any of the terms hereof or thereof or in and of the exercise of any power granted hereby or thereby or by law. No right conferred upon the Purchasers hereby

or by the Notes shall be exclusive of any other right referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise.

6.3 Rights with Respect to Collateral. In case any one or more Events of Default shall occur and be continuing:

(a) each Purchaser shall have all rights and remedies afforded by the Uniform Commercial Code to a secured creditor having a security interest in property to which Article 9 thereof applies;

(b) the Company will, upon receipt of any proceeds, dividend, stock certificate or other sums arising from the sale or other disposition of Collateral or any instrument evidencing an obligation to pay such sums, hold same in trust for the Purchasers, in the form received, and will forthwith, without notice or demand, endorse, transfer and deliver same to the Purchasers, pro rata, and, should the Company obtain possession of goods, the sale or lease of which gave rise to an Account, the Company shall hold same in trust for the Purchasers, subject to the security interest hereunder;

(c) the Company hereby irrevocably appoints a majority in interest of the Purchasers (the "Majority Purchasers") its true and lawful agent to act in its name or in the Purchasers' name as fully and completely as though the Majority Purchasers were the absolute owners of Collateral for all purposes. The Majority Purchasers may exercise all of the Company's rights of collection, enforcement, conversion or exchange and all other similar rights, privileges and options pertaining to Collateral, all of its rights to commence, prosecute or settle any legal actions, give releases, or settle or compromise any rights, with respect to Collateral, and generally all of its rights to sell, assign, transfer, pledge, convey, make any agreement with respect to, or otherwise deal with, Collateral. The Majority Purchasers may execute and deliver any and all documents and take any and all actions on behalf of the Company in order to carry out the provisions of this Agreement. Nothing herein shall be construed as requiring any Purchaser to make any demand or inquiry as to the nature or sufficiency of any payment, or to take any action with respect to Collateral or moneys, proceeds or income due, or to become due thereunder, and no such action taken or omitted to be taken, or delay, by any Purchaser, shall give rise to any defense, counterclaim or set-off in favor of the Company or to any claim or action against any Purchaser. The Majority Purchasers shall have the right, upon consultation with the Company, to communicate with any account debtor in order to verify Account balances from time to time, provided that such verification right shall be exercised in a commercially reasonable manner and pursuant to documentation and procedures acceptable to the Company. The Majority Purchasers shall have the right, without prior notice to the Company, to notify, or to require the Company to notify, the parties obligated on any Collateral, to make payment thereon directly to the Purchasers, but the Company shall give such notice itself if requested to do so by the Majority Purchasers;

(d) the Company shall not make any further use of the Copyrights, Patents or Trademarks for any purpose without the consent of the Majority Purchasers;

(e) the Majority Purchasers may, at any time and from time to time, upon 15 days' prior notice to the Company, license, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any of the Copyrights, Patents or Trademarks, throughout the world for such term or terms, on such conditions, and in such manner, as the Majority Purchasers shall in their sole discretion determine;

(f) the Majority Purchasers may (without assuming any obligations or liability thereunder), at any time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of the Company in, to and under any one or more license agreements with respect to the Collateral, and take or refrain from taking any action under any thereof, and the Company hereby releases each Purchaser from, and agrees to hold each Purchaser free and harmless from and against any claims arising out of, any action taken or omitted to be taken with respect to any such license agreement. The Majority Purchasers may apply the proceeds actually received from any such license, assignment, sale or other disposition to the reasonable costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal and other expenses which may be incurred by the Majority Purchasers, and then to the Obligations; and the Company shall remain liable and will pay the Purchasers on demand any deficiency remaining, together with interest thereon at a rate equal to the highest rate then payable on the Obligations and the balance of any expenses unpaid. Nothing herein contained shall be construed as requiring any Purchaser to take any such action at any time. In the event of any such license, assignment, sale or other disposition of the Collateral, or any of it, after the occurrence or continuation as hereinabove provided of an Event of Default, the Company shall supply its know-how and expertise relating to the manufacture and sale of the products bearing or in connection with the Copyrights, Trademarks or Patents, and its customer lists and other records relating to the Copyrights, Trademarks or Patents and to the distribution of said products, to the Purchasers or their designees.

6.4 Power of Attorney. Concurrently with the execution and delivery hereof, the Company is executing and delivering to the Purchasers, in the form of Exhibit W hereto, originals of a Power of Attorney for the implementation of the assignment, sale or other disposal of the Copyrights, Trademarks and Patents pursuant hereto, and the Company hereby releases each Purchaser from any claims, causes of action and demands at any time arising out of or with respect to any actions taken or omitted to be taken by the Purchasers under the power of attorney granted herein, other than actions taken or omitted to be taken through the recklessness or willful misconduct of the Purchasers.

6.5 Possession of Collateral. After and during the continuance of an Event of Default, the Majority Purchasers shall be entitled, without notice to the Company, to appointment of a receiver to take possession of Collateral, and may require the Company to assemble Collateral and make same available to the Majority Purchasers at a place to be designated by the Majority Purchasers reasonably convenient to both parties. The Majority Purchasers' duty of care with respect to Collateral shall be limited to the exercise of reasonable care. The Majority Purchasers shall be deemed to have exercised reasonable care if Collateral is accorded treatment requested by the Company in writing or substantially the same as that the Majority Purchasers accord their own property. The Majority Purchasers shall not be deemed to

have failed to exercise reasonable care because they may have failed to accord Collateral treatment requested by the Company or to take steps to preserve rights against prior parties or property.

SECTION 7. Conditions to the Obligations of the Purchasers on each Closing Date.

The obligation of each Purchaser to purchase and pay for such Purchaser's Note on the Closing date is subject to the satisfaction or waiver, on or before the Closing date, of the following conditions:

7.1 Performance. The Company shall have performed and complied, in all material respects with all agreements contained herein required to be performed or complied with by it prior to or at such date (except with respect to agreements qualified by a materiality standard, which agreements must be performed and complied with in all respects).

7.2 All Proceedings to be Satisfactory. All corporate and other proceedings to be taken by the Company in connection with the transactions contemplated hereby and all documents incident thereto shall be reasonably satisfactory in form and substance to the Purchasers and their counsel, and the Purchasers and their counsel shall have received all such counterpart originals or certified or other copies of such documents as they reasonably may request.

7.3 Supporting Documents. The respective Purchasers and their counsel shall have received copies of the following documents:

- (i) this Agreement;
- (ii) the Notes; and
- (iii) such additional supporting documents and other information with respect to the operations and affairs of the Company as the Purchasers or their counsel reasonably may request.

SECTION 8. Miscellaneous Provisions.

8.1 Notices. All notices, demands and requests of any kind to be delivered to any party in connection with this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, sent by facsimile or if sent by nationally-recognized overnight courier or by registered or certified mail, return receipt requested and postage prepaid, addressed as follows:

if the to Company:

212 Fifth Avenue
New York, New York 10010
Attention: President

Facsimile: (212) 696-9476

if to a Purchaser, to the address of such Purchaser appearing in the Company's records, with a copy to:

Citigroup Investments Inc.
399 Park Avenue, 7th Floor
New York, New York 10022
Attention: David S. Smith
Facsimile: (212) 793-8745

or to such other address as the party to whom notice is to be given may have furnished to the other parties hereto in writing in accordance with the provisions of this Section. Any such notice or communication shall be deemed to have been received (i) in the case of personal delivery, on the date of such delivery, (ii) in the case of facsimile, when receipt is confirmed, (iii) in the case of nationally-recognized overnight courier, on the next business day after the date when sent and (iv) in the case of mailing, on the third business day following that on which the piece of mail containing such communication is posted.

8.2. Parties In Interest. This Agreement shall bind and inure to the benefit of the Company, each Purchaser and their respective successors and assigns. Any transferee of a Note shall be deemed thereafter to be a Purchaser for all relevant purposes of this Agreement.

8.3. Entire Agreement. This Agreement, the other Financing Documents and the other writings and agreements referred to herein or therein or delivered pursuant hereto or thereto contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings among the parties with respect thereto.

8.4. Amendments and Waivers. This Agreement may not be modified or amended except by written agreement of the Company and Purchasers holding at least a majority of the aggregate outstanding principal amount of the Notes held by all Purchasers, which amendment or modification shall thereupon be binding upon all Purchasers, nor may any provision of this Agreement be waived except, in the case of a provision inuring to the benefit of the Company, by the Company, and in the case of a provision inuring to the benefit of the Purchasers, by Purchasers holding at least a majority of the aggregate outstanding principal amount of the Notes held by all Purchasers, in each case in writing, which waiver shall thereupon be binding upon all Purchasers.

8.5. Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

8.6. Headings. The section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

8.7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (without giving effect to principles of conflicts of laws of the State of New York or any other state).

8.8. Invalid Provisions. If any provision of this Agreement or any other Financing Document is held to be illegal, invalid or unenforceable under any present or future law or regulation, (a) such provision will be fully severable, (b) this Agreement or such other Financing Document will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement or such other Financing Document will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement or such other Financing Document a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

8.9. Expenses. Each party hereto shall pay its own expenses in connection with the transactions contemplated hereby, whether or not such transactions shall be consummated; provided that the Company shall bear all expenses of preparing and filing all financing statements and other security documents pursuant to Section 5 of this Agreement.

IN WITNESS WHEREOF, each of the undersigned has duly executed this Note Purchase and Security Agreement as of the date first above written.

SOLBRIGHT, INC.

By: 

Name: NEIL COMPION


Title: President + CEO

COUNTERPART SIGNATURE PAGE
TO NOTE PURCHASE AND SECURITY AGREEMENT

Name of Purchaser:

Keystone Venture Fund V, L.P.

By: Keystone V Partners, L.P.
Its General Partner

By: 
Title: Managing Director

By: Keystone V Management Co. Inc., the G.P.
of Keystone V Partners, L.P.

Principal Amount of Notes:

\$120,000.00
\$ 45,240.00

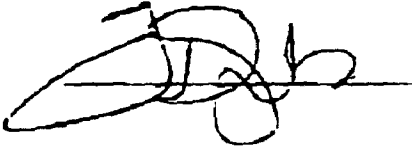
COUNTERPART SIGNATURE PAGE
TO NOTE PURCHASE AND SECURITY AGREEMENT

Name of Purchaser:

The Travelers Insurance
Company

By: F. Denney Voss

Title: Senior Vice President



Principal Amount of Notes:

Exhibit Z to Note Purchase and Security Agreement

Trademark Filings

ASSIGNMENT OF SECURITY INTEREST AND MORTGAGE

(TRADEMARKS)

WHEREAS, Solbright, Inc., a Delaware corporation (herein referred to as "Assignor"), has adopted, used and is using the trademarks listed on the annexed Schedule 3-A, which trademarks are registered in the United States Patent and Trademark Office (the "Trademarks");

WHEREAS, Assignor is obligated to The Travelers Insurance Company and Keystone Venture Capital Fund V, LP (collectively, the "Assignee"), under that certain Note Purchase and Security Agreement dated as of April 23, 2001, by and among Assignor and the Assignee Lenders, as such agreement may be amended, modified or restated from time to time (the "Agreement"); and

WHEREAS, pursuant to the Agreement, Assignor has assigned to Assignee and granted to Assignee a security interest in, and mortgage on, all right, title and interest of Assignor in and to the Trademarks, together with the goodwill of the business symbolized by the Trademarks and the applications and registrations thereof, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof (the "Collateral"), to secure the prompt payment, performance and observance of the Obligations, as defined in the Agreement.

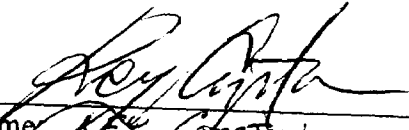
NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Assignor does hereby further assign unto Assignee and grant to Assignee a security interest in, and mortgage on, the Collateral to secure the prompt payment, performance and observance of the Obligations.

Assignor does hereby further acknowledge and affirm that the rights and remedies of the Assignee with respect to the assignment of, security interest in and mortgage on the Collateral made and granted hereby are more fully set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Assignee's address is c/o Citigroup Investments Inc., 399 Park Avenue, 14th Floor, New York, NY 10022, Attention: Dirk A. Hall.

IN WITNESS WHEREOF, Assignor has caused this Assignment for Security
(Trademarks) to be duly executed by its officer thereunto duly authorized as of the 23rd day of April,
2001.

SOLBRIGHT, INC.

By: 
Name: KEY COMPTON
Title: President and CEO

LIST OF TRADE NAMES, TRADEMARKS, SERVICE MARKS,
TRADEMARK AND SERVICE MARK REGISTRATIONS AND
APPLICATIONS FOR TRADEMARK AND SERVICE MARK REGISTRATIONS

U.S. Trademarks

<u>Mark</u>	<u>Application (A) Registration (R) or Series No. (S)</u>	<u>Registration or Filing Date</u>
SOLBRIGHT, US Classes 35 & 42	Serial No. 75/240,050 Reg. No. 2,181,962	App. Date 2/11/1997 Reg. Date 8/18/1998 8&15 Due 8/18/2004 Renewal Due 8/18/2008
SOLBRIGHT, US Class 9	Serial No. 75/240,051 Reg. No.	ABANDONED App. Date 2/11/1997 Re-file; sent to client 2/2/2001
ADSUITE, US Class 9	Serial No. 75/410,342 Reg. No.	Filed App. Date 12/23/1997 Reg. Date Use/4 th Ext. Due 5/11/2001
ADSUITE, US Class 42	Serial No. 75/874,293 Reg. No.	Filed App. Date 12/17/1999 Reg. Date
DISPATCH, US Class 42	Serial No. 75/458,185 Reg. No. 2,349,322	Response Due 8/2/2001 Registered App. Date 3/30/1998 Reg. Date 5/16/2000 8&15 Due 5/16/2006 Renewal Due 5/16/2010
CONVERGIX, US Classes 9 and 42	Serial No. 75/756,384 Reg. No.	Filed App. Date 7/20/1999 Reg. Date Response Filed 6/22/2000 Suspended 7/19/2000
SOLBRIGHT DIGITAL MEDIA SOLUTIONS & DESIGN, US Classes 9 and 42	Serial No. 75/769,687 Reg. No.	Filed App. Date 8/6/1999 Reg. Date Approved for Publication

**STREAMLINING THE
BUSINESS OF ONLINE
ADVERTISING, US Classes 9
and 42**

Serial No. 75/874,295
Reg. No.

1/05/2001
Filed
App. Date 12/17/1999
Reg. Date

Response due 8/2/2001

Foreign Trademarks

<u>Mark</u>	<u>Application (A) Registration (R) Country</u>	<u>Registration or Filing Date (F)</u>
ADSUITE, EEC Classes 9 & 42	Europe (EEC) Serial No. 001698174 Reg. No.	Filed App. Date 5/31/2000 Reg. Date Response Filed 2/17/2001
ADSUITE, Canada	Serial No. 1063776 Reg. No.	Filed App. Date 6/15/2000 Reg. Date No Action