

06-22-2001



6-22-01

FORM PTO-1594  
(Rev 5-93)

101760238

U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

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

|   |  |
|---|--|
| <p>1. Name of conveying party(ies):<br/>WATCHMARK CORP.</p> <p>Individual(s) citizenship:<br/>Association:<br/>General Partnership:<br/>Limited Partnership:<br/>Corporation - State: DELAWARE<br/>Other:</p> <p>Additional name(s) of conveying party(ies) attached? [ ] Yes [X] No</p> <p>3. Nature of Conveyance:<br/>[ ] Assignment [ ] Merger<br/>[X] Security Agreement [ ] Change of Name<br/>[ ] Other</p> <p>Execution Date: June 12, 2001</p> | <p>2. Name and address of receiving party(ies):<br/>Name: IMPERIAL BANK<br/>Address: 5330 CARILLON POINT<br/>City: KIRKLAND State: WA Zip: 98033</p> <p>Individual(s) citizenship:<br/>Association:<br/>General Partnership:<br/>Limited Partnership:<br/>Corporation - State:<br/>Other: a California chartered bank</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: [ ] Yes [X] No<br/>(Designations must be a separate document from assignment)<br/>Additional name(s) &amp; address(es) attached? [ ] Yes [x] No</p> |
|---|--|

|   |   |
|---|---|
| 4. Application number(s) or trademark number(s):                              |   |
| A. Trademark Application No.(s)<br>76/082,749      75/653,352      75/653,351 | B. Trademark Registration No.(s)<br>2,272,804      2,250,248      2,272,803<br>2,243,488      2,272,755 |
| Additional numbers attached? [ X ] Yes [ ] No                                 |   |

|  |   |
|--|---|
| <p>5. Name and address of party to whom correspondence concerning document should be mailed:<br/>Name: Erin O'Brien<br/>Internal Address: GRAY CARY WARE &amp; FREIDENRICH<br/>4365 Executive Drive, Suite 1600<br/>San Diego, CA 92121-2189</p> | <p>6 Total number of applications and registrations involved: 8</p> <p>7. Total fee (37 CFR 3.41) . . . . . \$ 215.00<br/>[ x ] Enclosed<br/>[ X ] Authorized to be charged to deposit account</p> <p>8. Deposit account number:<br/><br/>(Attach duplicate copy of this page if paying by deposit account)</p> |
|--|---|

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.

Erin O'Brien      *Erin O'Brien*      June 21, 2001  
 Name of Person Signing      Signature      Date

Total number of pages comprising cover sheet: [ 6 ]

Mail Documents to be recorded with required cover sheet information to:  
 U.S. Patent and Trademark Office, Office of Public Records  
 1213 Jefferson Davis Highway, 3rd Floor  
 Arlington, VA 22202

06/22/2001 070x11 00000077 76082749  
 01 FC:481 40.00 OP  
 02 FC:482 175.00 OP

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1090371-962200

TRADEMARK  
REEL: 002317 FRAME: 0743

EXHIBIT C

Trademarks

| <u>Description</u>  | <u>Registration/<br/>Application<br/>Number</u> | <u>Registration/<br/>Application<br/>Date</u> |
|---------------------|---|---|
| Watchmark Insight   | 76/082,749                                      | 07/03/00                                      |
| Watchmark Prospect  | 75/653,352                                      | 03/04/99                                      |
| Watchmark Extreme   | 75/653,351                                      | 03/04/99                                      |
| Watchmark Design    | 2,272,804                                       | 08/24/99                                      |
| Watchmark Control   | 2,250,248                                       | 06/01/99                                      |
| Watchmark Correlate | 2,272,803                                       | 08/24/99                                      |
| Watchmark Pilot     | 2,243,488                                       | 05/04/99                                      |
| Watchmark           | 2,272,755                                       | 08/24/99                                      |

# INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of June 12, 2001 by and between IMPERIAL BANK ("Bank") and WATCHMARK CORP., a Delaware corporation ("Grantor").

## RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodations to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement). Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

B. Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement, Grantor hereby represents, warrants, covenants and agrees as follows:

## AGREEMENT

To secure its obligations under the Loan Agreement and under all other agreements now existing or hereafter arising between Grantor and Bank, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

Grantor represents and warrants that Exhibits A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

IN WITNESS WHEREOF, the parties have cause this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

WATCHMARK CORP.

Address of Grantor:

13431 NE 20th Street  
Bellevue, WA 98005

Attn: Chief Financial Officer

By: 

Title: Chief Financial Officer

BANK:

IMPERIAL BANK

Address of Bank:

5330 Carillon Point  
Kirkland, WA 98033

Attn: Bob Van Nortwick

By: 

Title: VICE PRESIDENT

EXHIBIT A

Copyrights

Description

Registration  
Number

Registration  
Date

EXHIBIT B

Patents

Description

Registration/  
Application  
Number

Registration/  
Application  
Date

Gray Cary\PA\10149690.1  
1090371-900000

**RECORDED: 06/22/2001**

**TRADEMARK  
REEL: 002317 FRAME: 0748**