

7-2-01

07-02-2001

FORM PTO-1594  
(Rev 5-93)

HEET

U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office



To the Honorable Comr

attached original documents or copy thereof.

101765863

1. Name of conveying party(ies):

GREEN DIGITAL EXCHANGE, INC.

Individual(s) citizenship:

Association:

General Partnership:

Limited Partnership:

Corporation - State: DELAWARE

Other:

Additional name(s) of conveying party(ies) attached? [ ] Yes [X] No

3. Nature of Conveyance:

[ ] Assignment

[X] Security Agreement

[ ] Other

[ ] Merger

[ ] Change of Name

Execution Date: August 28, 2000

Address of receiving party(ies):

Name: IMPERIAL BANK

Address: 226 AIRPORT PARKWAY

City: SAN JOSE State: CA Zip: 95110

Individual(s) citizenship:

Association:

General Partnership:

Limited Partnership:

Corporation - State:

Other: a California chartered bank

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 [X] No

4. Application number(s) or trademark number(s):

A. Trademark Application No.(s)

76/181,608

76/099,813

76/117,340

76/099,812

B. Trademark Registration No.(s)

Additional numbers attached? [ ] Yes [X] No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name:

Erin O'Brien

Internal Address:

GRAY CARY WARE & FREIDENRICH

4365 Executive Drive, Suite 1600

San Diego, CA 92121-2189

6 Total number of applications and registrations involved: 4

7. Total fee (37 CFR 3.41) . . . . . \$ 115.00

[X] Enclosed

[ ] Authorized to be charged to deposit account

8. Deposit account number:

(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.

Erin O'Brien

Name of Person Signing

Signature

June 29, 2001

Date

Total number of pages comprising cover sheet: [ 15 ]

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

07/02/2001 DEYRNE 00000106 76181608

01 FC:481

40.00 DP

02 FC:482

75.00 DP

PA\10163366.1  
1090371-947700

TRADEMARK  
REEL: 002321 FRAME: 0780

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (the "Agreement") is made as of August 28, 2000, by and between GREENBUYSELL, INC., a Delaware corporation ("Grantor"), and IMPERIAL BANK, a California chartered bank ("Secured Party").

### RECITALS

A. Secured Party 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 Credit Terms and Conditions, dated as of August 28, 2000 (the "Credit Terms and Conditions"), that certain Promissory Note dated as of August 28, 2000 (the "Note"), and that certain Commercial Security Agreement, dated as of August 28, 2000 (the "Security Agreement") (the Credit Terms and Conditions, the Note, and the Security Agreement, collectively the "Loan Documents;" all capitalized terms used herein without definition shall have the meanings ascribed to them in the Loan Documents).

B. Secured Party is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Secured Party a security interest in all of Grantor's right title, and interest in, to and under all of the Collateral whether presently existing or hereafter acquired

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of Grantor's present or future indebtedness, obligations and liabilities to Secured Party, Grantor hereby grants a security interest and mortgage to Secured Party, as security, in and to Grantor's entire right, title and interest in, to and under all of its intellectual property, including without limitation the following (all of which shall collectively be called the "Collateral"):

(a) Any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including without limitation those set forth on Exhibit A attached hereto (collectively, the "Copyrights");

(b) Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

(c) Any and all design rights which may be available to Grantor now or hereafter existing, created, acquired or held;

(d) All patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "Patents");

(e) Any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Grantor connected with and symbolized by such trademarks, including without limitation those set forth on Exhibit C attached hereto (collectively, the "Trademarks");

(f) Any and all claims for damages by way of past, present and future infringement of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(g) All licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights;

(h) All amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents; and

(i) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

2. Covenants and Warranties. Grantor represents, warrants, covenants and agrees as follows:

(a) Grantor is now the sole owner of the Collateral, except for licenses granted by Grantor to its customers in the ordinary course of business;

(b) Except as set forth in the Schedule, Grantor's rights as a licensee of intellectual property do not give rise to more than five percent (5%) of its gross revenue in any given month, including without limitation revenue derived from the sale, licensing, rendering or disposition of any product or service;

(c) Performance of this Agreement does not conflict with or result in a breach of any agreement to which Grantor is party or by which Grantor is bound;

(d) During the term of this Agreement, Grantor will not transfer or otherwise encumber any interest in the Collateral, except for licenses granted by Grantor in the ordinary course of business or as set forth in this Agreement;

(e) To its knowledge, each of the Patents is valid and enforceable, and no part of the Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Collateral violates the rights of any third party;

(f) Grantor shall deliver to Secured Party within thirty (30) days of the last day of each fiscal quarter, a report signed by Grantor, in form reasonably acceptable to Secured Party, listing any applications or registrations that Grantor has made or filed in respect of any patents, copyrights or trademarks and the status of any outstanding applications or registrations. Grantor shall promptly advise Secured Party of any material change in the composition of the Collateral, including but not limited to any subsequent ownership right of the Grantor in or to any Trademark, Patent or Copyright not specified in this Agreement;

(g) Grantor shall (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights (ii) use its best efforts to detect infringements of the Trademarks, Patents and Copyrights and promptly advise Secured Party in writing of material infringements detected and (iii) not allow any Trademarks, Patents or Copyrights to be abandoned, forfeited or dedicated to the public without the written consent of Secured Party, which shall not be unreasonably withheld;

(h) Grantor shall apply for registration on an expedited basis (to the extent not already registered) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable: (i) those intellectual property rights listed on Exhibits A, B and C hereto within thirty (30) days of the date of this Agreement; (ii) all registerable intellectual property rights Grantor has developed as of the date of this Agreement but heretofore failed to register, within thirty (30) days of the date of this Agreement; and (iii) those additional intellectual property rights developed or acquired by Grantor from time to time in connection with any product, prior to the sale or licensing of such product to any third party and prior to Grantor's use of such product (including without limitation revisions or additions to the intellectual property rights listed on such Exhibits A, B and C). Grantor shall, from time to time, execute and file such other instruments, and take such further actions as Secured Party may reasonably request from time to time to perfect or continue the perfection of Secured Party's interest in the Collateral Grantor shall give Secured Party notice of all such applications or registrations;

(i) This Agreement creates, and in the case of after acquired Collateral, this Agreement will create at the time Grantor first has rights in such after acquired Collateral, in favor of Secured Party a valid and perfected first priority security interest in the Collateral in the United States securing the payment and performance of the obligations evidenced by the Loan Documents;

(j) All information heretofore, herein or hereafter supplied to Secured Party by or on behalf of Grantor with respect to the Collateral is accurate and complete in all material respects;

(k) Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Secured Party's prior written consent, which consent shall not be unreasonably withheld. Grantor shall not permit the inclusion in any material contract to which it becomes a party of any provisions that could or might in any way prevent the creation of a security interest in Grantor's rights and interests in any property included within the definition of the Collateral acquired under such contracts; and

(l) Upon any executive officer of Grantor obtaining actual knowledge thereof, Grantor will promptly notify Secured Party in writing of any event that materially adversely affects the value of any Collateral, the ability of Grantor to dispose of any Collateral or the rights and remedies of Secured Party in relation thereto, including the levy of any legal process against any of the Collateral.

3. Secured Party's Rights. Secured Party shall have the right, but not the obligation, to take, at Grantor's sole expense, any actions that Grantor is required under this Agreement to take but which Grantor fails to take, after fifteen (15) days' notice to Grantor. Grantor shall reimburse and indemnify Secured Party for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this section 4.

4. Inspection Rights. Grantor hereby grants to Secured Party and its employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable written notice to Grantor, any of Grantor's plants and facilities that manufacture, install or store products (or that have done so during the prior six-month period) that are sold utilizing any of the Collateral, and to inspect the products and quality control records relating thereto upon reasonable written notice to Grantor and as often as may be reasonably requested.

5. Further Assurances; Attorney in Fact.

(a) On a continuing basis, Grantor will make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademark Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as requested by Secured Party, to perfect Secured Party's security interest in all Copyrights, Patents and Trademarks and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to Secured Party the grant or perfection of a security interest in all Collateral.

(b) Grantor hereby irrevocably appoints Secured Party as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, from time to time in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including (i) to modify, in its sole discretion, this Agreement without first obtaining Grantor's approval of or signature to such modification by amending Exhibit A, Exhibit B and Exhibit C, thereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Grantor no longer has or claims any right, title or interest, (ii) to file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of Grantor where permitted by law and (iii) after the occurrence of an Event of Default, to transfer the Collateral into the name of Secured Party or a third party to the extent permitted under the California Uniform Commercial Code.

6. Events of Default. The occurrence of any of the following shall constitute an Event of Default under the Agreement:

(a) An Event of Default occurs under the Loan Documents; or

(b) Grantor breaches any warranty or agreement made by Grantor in this Agreement and, as to any breach that is capable of cure, Grantor fails to cure such breach within five (5) days of the occurrence of such breach.

7. Remedies. Upon the occurrence and continuance of an Event of Default, Secured Party shall have the right to exercise all the remedies of a secured party under the California Uniform Commercial Code, including without limitation the right to require Grantor to assemble the Collateral and any tangible property in which Secured Party has a security interest and to make it available to Secured Party at a place designated by Secured Party. Secured Party shall have a nonexclusive, royalty free license to use the Copyrights, Patents and Trademarks to the extent reasonably necessary to permit Secured Party to exercise its rights and remedies upon the occurrence of an Event of Default. Grantor will pay any expenses (including reasonable attorneys' fees) incurred by Secured Party in connection with the exercise of any of Secured Party's rights hereunder, including without limitation any expense incurred in disposing of the Collateral. All of Secured Party's rights and remedies with respect to the Collateral shall be cumulative.

8. Indemnity. Grantor agrees to defend, indemnify and hold harmless Secured Party and its officers, employees, and agents against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Agreement, and (b) all losses or expenses in any way suffered, incurred, or paid by Secured Party as a result of or in any way arising out of, following or consequential to transactions between Secured Party and Grantor, whether under this Agreement or otherwise (including without limitation reasonable attorneys' fees and reasonable expenses), except for losses arising from or out of Secured Party's gross negligence or willful misconduct.

9. Course of Dealing. No course of dealing, nor any failure to exercise, nor any delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

10. Attorneys' Fees. If any action relating to this Agreement is brought by either party hereto against the other party, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements.

11. Amendments. This Agreement may be amended only by a written instrument signed by both parties hereto.

12. Counterparts. 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.

13. California Law and Jurisdiction; Jury Waiver. This Agreement shall be governed by the laws of the State of California, without regard for choice of law provisions. Grantor and Secured Party consent to the exclusive jurisdiction of any state or federal court located in Santa Clara County, California. GRANTOR AND SECURED PARTY EACH WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THE LOAN DOCUMENTS, THIS AGREEMENT, OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

GRANTOR:

Address of Grantor:

2500 Free Union Road  
Charlottesville, VA 22901

Attn: Chief Executive Officer/Chief Financial Officer

GREENBUYSELL, INC.

By: Paul R. John

Its: President

By: R. W. Ball

Its: Chairman

SECURED PARTY

Address of Secured Party:

226 Airport Parkway  
San Jose, CA 95110-1024

Attn: Corporate Banking Center

IMPERIAL BANK

By: Jack H. McDonald

Its: VP

EXHIBIT A

Copyrights

Description

Registration Number

Registration Date

EXHIBIT B

Patents

Description

Registration/Serial Number

Registration/Application  
Date



EXHIBIT C

Trademarks

Description

Registration/Application  
Number

Registration/Application  
Date

FIRST AMENDMENT  
TO  
INTELLECTUAL PROPERTY SECURITY AGREEMENT

This First Amendment to Intellectual Property Security Agreement is entered into as of June 21, 2001, by and between IMPERIAL BANK ("Bank") and GREEN DIGITAL EXCHANGE, INC., a Delaware corporation ("Borrower").

RECITALS

Borrower and Bank are parties to that certain Intellectual Property Security Agreement dated as of August 28, 2000, as amended (the "Agreement"). The Agreement refers to Borrower as "GREENBUYSELL, INC." Borrower has changed its name as reflected in Annex A attached hereto, and this Amendment corrects the name of Borrower in the Agreement.

NOW, THEREFORE, the parties agree as follows:

1. All references in the Agreement to "GREENBUYSELL, INC." shall mean and refer to "GREEN DIGITAL EXCHANGE, INC."
2. Exhibit C to the Agreement is hereby amended and replaced in its entirety by Exhibit C attached hereto.
3. Unless otherwise defined, all initially capitalized terms in this Amendment shall be as defined in the Agreement. The Agreement, as amended hereby, shall be and remain in full force and effect in accordance with its respective terms and hereby is ratified and confirmed in all respects. Except as expressly set forth herein, the execution, delivery, and performance of this Amendment shall not operate as a waiver of, or as an amendment of, any right, power, or remedy of Bank under the Agreement, as in effect prior to the date hereof. Borrower ratifies and reaffirms the continuing effectiveness of all promissory notes, guaranties, security agreements, mortgages, deeds of trust, environmental agreements, and all other instruments, documents and agreements entered into in connection with the Agreement.
4. Borrower represents and warrants that the Representations and Warranties contained in the Agreement are true and correct as of the date of this Amendment, and that no Event of Default has occurred and is continuing.
5. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the first date above written.

GREEN DIGITAL EXCHANGE, INC.

By: GREEN DIGITAL EXCHANGE, INC. by Imperial Bank,  
its attorney in fact, by  
Title: \_\_\_\_\_ Jedd A. McDonald  
VP

IMPERIAL BANK

By: Jedd A. McDonald  
Title: VP

EXHIBIT C  
Trademarks

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
The fast easy way to buy and sell wholesale plant materials	76/181,608	12/15/00
(design only)	76/117,340	08/25/00
Greendex	76/099,813	07/31/00
How the green industry grows	76/099,812	07/31/00

Annex A

09/05/00 14:09 FAX 703 456 8100

COOLEY-GODWARD LLP

002

2000 [0198 ON TR/LL] 90:41 801 0002/50/60

**State of Delaware**  
**Office of the Secretary of State**

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "GREENBUYSSELL, INC.", CHANGING ITS NAME FROM "GREENBUYSSELL, INC." TO "GREEN DIGITAL EXCHANGE, INC.", FILED IN THIS OFFICE ON THE FIFTH DAY OF SEPTEMBER, A.D. 2000, AT 9 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



*Edward J. Freel*  
Edward J. Freel, Secretary of State

AUTHENTICATION: 0656382

DATE: 09-05-00

3212539 8100

001446458

7 1 1 4091 0N

SEP. 5. 2000 1:54PM

09/05/00 14:09 FAX 703 456 8100

COOLEY-GODWARD LLP

003

0000 [18198 ON IN/LL] 00:47 00L 0002/90/00

STATE OF DELAWARE  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
FILED 09:00 AM 09/05/2000  
001446458 - 3212539

P. 1E

**CERTIFICATE OF AMENDMENT OF  
CERTIFICATE OF INCORPORATION OF  
GREENBUYSELL, INC.**

**GREENBUYSELL, INC.**, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY:

**FIRST:** The name of the Corporation is GreenBuySell, Inc.

**SECOND:** The date on which the Certificate of Incorporation of the Corporation was originally filed with the Secretary of State of the State of Delaware is April 19, 2000.

**THIRD:** The Board of Directors of the Corporation, acting in accordance with the provisions of Sections 141 and 242 of the General Corporation Law of the State of Delaware, adopted resolutions amending its Certificate of Incorporation as follows:

Article I shall be amended and restated to read in its entirety as follows:

"The name of the Corporation is Green Digital Exchange, Inc."

**FOURTH:** Thereafter, pursuant to a resolution of the Board of Directors, this Certificate of Amendment was submitted to the stockholders of the Corporation for their approval, and was duly adopted in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

[SIGNATURE PAGE FOLLOWS]

SEW1-V008  
122011.DOC

1.

SEP. 5. 2000 1:54PM  
09/05/2000 THE 04:48 FAX/XX NO 22501 0018

NO. 4051

09/05/00 14:09 FAX 703 456 8100

COOLEY-GODWARD LLP

004

09/05/2000 14:09 FAX NO 8100

P. 18

IN WITNESS WHEREOF, GREENBUYSSELL, INC. has caused this Certificate of Amendment to be signed by its duly authorized officer this 31 day of August, 2000.

GREENBUYSSELL, INC.

*Russell R. Openshaw*  
Russell R. Openshaw, President

1628411.DOC

2.

09/05/2000 TUE 08:49 [TX/RX NO 8386] 0018

NO. 407 / P. 4

SEP. 5. 2000 1:54PM