

08-28-2001



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**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

8-2801

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger Effective Date
Month Day Year
- Change of Name
- Other

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

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

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization

08/28/2001 GTON11 00000157 76212657
01 FC:481 40.00 OP
02 FC:482 50.00 OP

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

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

Mark if additional numbers attached

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

Trademark Application Number(s)

Registration Number(s)

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes



No



Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Tammy S. Settle

August 27, 2001

Name of Person Signing

Signature

Date Signed

TRADEMARK AND LICENSE SECURITY AGREEMENT

TRADEMARK AND LICENSE SECURITY AGREEMENT ("Agreement") dated as of August 10, 2001, is between CULTUREWORX, INC., an Illinois corporation (the "Company"), and EDGEWATER PRIVATE EQUITY FUND III, L.P., a Delaware limited partnership, as agent ("Agent") on behalf of the lenders (together with their successors and assigns, the "Lenders") party to the Loan Agreement (as defined below).

WITNESSETH:

WHEREAS, the Company, Lenders, Agent and certain other parties have entered into that certain Convertible Bridge Loan Agreement of even date herewith (as amended or modified from time to time, the "Loan Agreement") pursuant to which, among other things, the Company has granted to Agent, on behalf of the Lenders, a security interest in substantially all of its assets to secure the Company's prompt and complete payment, performance and/or observance of all of its obligations and liabilities under or in connection with the Loan Agreement, and its obligations and liabilities under any other Transaction Document (the "Obligations"); and

WHEREAS, Agent has required, as a further condition to entering into the Loan Agreement and to secure the obligations thereunder that Company execute this Agreement.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Company agrees as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, the capitalized terms used herein which are defined in the Loan Agreement shall have the meanings specified in the Loan Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and schedule references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Security Interest in Trademarks. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, the Company hereby grants to Agent a first priority security interest, having priority over all other security interests, with power of sale (upon the occurrence of and during the continuance of an Event of Default and to the extent permitted by applicable law) in all of Company's interest in now owned or existing and hereafter acquired or arising (collectively, the "Collateral"):

(a) trademarks, registered trademarks and trademark registrations, trade names, service marks, registered service marks and service mark registrations, including, without limitation, the registered trademarks and registered service marks listed on Schedule A, and

(i) the reissues, continuations, all renewals and extensions thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iii) the right to sue for past, present and future infringements and dilutions thereof, and (iv) all of such Company's rights corresponding thereto throughout the world (all of the foregoing registered trademarks and registered service marks together with the items described in clauses (i)-(iv) in this paragraph 2(a), being sometimes hereinafter individually and/or collectively referred to as the "Trademarks");

(b) the goodwill of such Company's business connected with and symbolized by the Trademarks; and

(c) license agreements with any other party in connection with any Trademarks or such other party's trademarks, registered trademarks, trademark registrations, trade names, service marks, registered service marks and service mark registrations, whether such Company is a licensor or licensee under any such license agreement, including, but not limited to, the license agreements listed on Schedule B, and the right upon the occurrence of and during the continuance of an Event of Default to use the foregoing in connection with the enforcement of Agent's rights under the Loan Agreement (all of the foregoing being hereinafter referred to collectively as the "Licenses"). Notwithstanding the foregoing provisions of this Section 2, the Licenses shall not include any license agreement with respect to which the grant of the security interest contemplated by this Agreement would be a breach or default thereunder; it being understood that upon request of the Agent, Company will in good faith use commercially reasonable efforts to obtain consent for the creation of a security interest in favor of the Agent in Company's rights under such license agreement.

3. Restrictions on Future Agreements. The Company will not, without Agent's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Company further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Agent under this Agreement or the rights associated with those Trademarks which are necessary or desirable in the operation of Company's business.

4. New Trademarks and Licenses. The Company represents and warrants that the Trademarks and Licenses listed on Schedule A and Schedule B, respectively, include all of the Trademarks and Licenses now owned or held by such Company. If, prior to the termination of this Agreement, Company shall (i) obtain rights to any new Trademark or Licenses or (ii) become entitled to the benefit of any new or existing Trademark or License, the provisions of Section 2 shall automatically apply thereto and Company shall notify Agent in writing (with reasonable detail) upon request of Agent of such changes. Provided that Company shall, within ten (10) days of approval, notify Agent and provide Agent with copies of all relevant documents relating to the approval of an application for a domestic Trademark by the United States Patent and Trademark Office. The Company hereby authorizes Agent to unilaterally modify this Agreement by (a) amending Schedule A or Schedule B, as the case may be, to include any

Trademarks or Licenses which are described under Section 2, or under this Section 4, and (b) filing with the United States Patent and Trademark Office, in addition to and not in substitution for, this Agreement, a duplicate original of this Agreement containing on Schedule A or Schedule B thereto, as the case may be, the revised list of Trademarks and/or Licenses under Section 2 or this Section 4. Notwithstanding the foregoing, the Company hereby agrees that Agent's security interest shall extend to all of the collateral listed in Section 2 and this Section 4, regardless of whether Agent actually amends Schedule A and Schedule B.

5. Royalties. Company hereby agrees that the use by Agent of the Trademarks and Licenses and as authorized hereunder for collateral security purposes (upon the occurrence of and during the continuance of an Event of Default) shall be co-extensive with such Company's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Agent to Company.

6. Nature and Continuation of Agent's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks and Licenses and shall remain in full force and effect until the Obligations have been paid in full and the Loan Agreement terminated. At such time, the rights granted to Agent hereunder shall also terminate, and Agent agrees to execute a release and termination as necessary to effectuate the release of the security interest granted to it.

7. Right to Inspect; Further Assignments and Security Interests. Agent shall have the right, at any reasonable time and from time to time, to inspect the premises and to examine the books, records, and operations of Company relating to the Trademarks and the Licenses, including, without limitation, Company's quality control processes. From and after the occurrence of, and during the continuance of, an Event of Default, and subject to the terms of the Loan Agreement, the Company agrees that Agent or a conservator appointed by Agent, shall have the right to establish such reasonable additional product quality controls as Agent or such conservator, in its sole judgement, may deem necessary to assure maintenance of the quality of products sold by Company under the Trademarks or the Licenses. The Company agrees (i) not to sell or assign its respective interests in, or grant any license under, the Trademarks or the Licenses without the prior written consent of Agent, (ii) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof, and (iii) not to reduce the quality of such products in any material respect without the prior written consent of Agent.

8. Duties of Company.

(a) The Company shall have the duty: (i) to prosecute diligently any trademark applications or registrations or service mark applications or registrations that are part of the Trademarks pending as of the date hereof or thereafter until the termination of this Agreement; (ii) to make applications for trademarks and service marks as Company deems appropriate, and (iii) to take commercially reasonable steps to preserve and maintain all of Company's rights in the trademark and service mark applications and trademark and service mark registrations that are part of the Trademarks. Any expenses incurred in connection with the foregoing shall be borne by Company. The Company shall not abandon any material trademark or service mark which is the subject of a registered trademark, service mark or application

therefor and which is or shall be, in such Company's commercially reasonable business judgement, necessary or economically desirable in the operation of such Company's business. Company agrees to retain an experienced trademark attorney reasonably acceptable to Agent for filing and prosecution of all applications and other proceedings (it being agreed that the Company's existing patent attorneys are acceptable to Agent).

(b) Agent shall not have any duty with respect to the Trademarks or Licenses. Without limiting the generality of the foregoing, Agent shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks and Licenses against any other parties, but may do so at Agent's option upon the occurrence of and during the continuance of an Event of Default, and all reasonable expenses incurred in connection therewith shall be for the sole account of Company and added to the Obligations secured hereby.

9. Agent's Right to Sue. Upon the occurrence of and during the continuance of an Event of Default, and subject to the terms of the Loan Agreement, Agent shall have the right, but shall not be obligated, to bring suit to enforce the Trademarks and the Licenses and, if Agent shall commence any such suit, Company shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents reasonably required by Agent in aid of such enforcement. The Company shall, upon demand, promptly reimburse and indemnify Agent for all reasonable costs and expenses incurred by Agent in the exercise of its rights under this Section 9 (including, without limitation, all attorneys' and paralegals' fees). If, for any reason whatsoever, Agent is not reimbursed with respect to the costs and expenses referred to in the preceding sentence, such reasonable costs and expenses shall be added to the Obligations secured hereby.

10. Waivers. No course of dealing between Company and Agent, and no failure to exercise or delay in exercising on the part of Agent any right, power or privilege hereunder or under any of the other Transaction Documents shall operate as a waiver of any of Agent's rights, powers or privileges. No single or partial exercise of any right, power or privilege hereunder or under any of the other Transaction Documents shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. Agent's Exercise of Rights and Remedies Upon Default. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence of and during the continuance of an Event of Default, Agent may exercise any of the rights and remedies provided in this Agreement and any of the other Transaction Documents. Without limiting the foregoing, Company acknowledges and agrees that upon the occurrence of and during the continuance of an Event of Default, Agent or its nominee may use the Trademarks and Licenses to complete the manufacture of, assemble, package, distribute, prepare for sale and sell the inventory, or for any other purpose in connection with the conduct of Company's business.

12. Intent-to-Use Applications. Notwithstanding any provision of this Agreement, the applicable Uniform Commercial Code or any other agreement or law, in no event shall any party be required or permitted under this Agreement to assign, convey or transfer any trademark or service mark that is the subject of an application for registration under Section 1(b) of the Lanham Act (15 U.S.C. § 1051(b)), as amended, prior to the filing of the verified statement of

use under Section 1(d) of the Lanham Act (15 U.S.C. § 1051(d)), as amended except in connection with the ongoing business to which such trademark or service mark pertains.

13. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

14. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 2 and Section 4 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney. All of Agent's rights and remedies with respect to the Trademarks and the Licenses, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. The Company hereby irrevocably appoints Agent as Company's attorney-in-fact, with full authority in the place and stead of Company and in the name of Company or otherwise to carry out the acts described below. Subject to the terms of the Loan Agreement, upon the occurrence of and during the continuance of an Event of Default, the Company hereby authorizes Agent to, in its sole discretion, (i) endorse Company's name on all applications, documents, papers and instruments necessary or desirable for Agent to exercise its rights and remedies regarding the Trademarks and the Licenses, (ii) take any other actions to exercise its rights and remedies regarding the Trademarks and the Licenses as Agent deems are in its best interest, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks to anyone on commercially reasonable terms, and (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone on commercially reasonable terms. Agent shall take no action pursuant to subsection (i), (ii), (iii) or (iv) of this Section 15 without taking like action with respect to the entire goodwill of Company's business connected with the use of, and symbolized by, such Trademarks. The Company hereby ratifies all such actions that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement shall have been terminated pursuant to Section 6 hereof. The Company acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Agent under the Loan Agreement or other Transaction Documents, but rather is intended to facilitate the exercise of such rights and remedies. Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which, respectively, either (y) the Trademarks may be located or deemed located, or (z) the Licenses were granted (the "UCC").

16. Binding Effect; Benefits. This Agreement shall be binding upon Company and its successors and assigns, and shall inure to the benefit of Agent and its nominees, successors and assigns. Company's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Company; provided, however that Company shall not voluntarily assign its obligations hereunder without the prior written consent of Agent.

17. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois applicable to contracts made and to be performed entirely within such State, subject, however, to the applicability of the UCC of any jurisdiction in which any Collateral may be located or deemed located at any given time.

18. Forum Selection. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF ILLINOIS OR IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS; PROVIDED THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE LOCATED OR DEEMED LOCATED. COMPANY HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF ILLINOIS AND OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. COMPANY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, TO THE ADDRESS OF THE COMPANY SPECIFIED IN, OR PURSUANT TO, THE LOAN AGREEMENT OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF ILLINOIS. COMPANY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

19. Jury Trial. EACH OF COMPANY, AGENT AND (BY ACCEPTING THE BENEFITS HEREOF) EACH LENDER HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, ANY NOTE, ANY OTHER TRANSACTION DOCUMENT AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH OR ARISING FROM ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH ANY OF THE FOREGOING, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

20. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Loan Agreement.

21. Section Headings. The section headings herein are for convenience of reference only and shall not affect in any way the interpretation of any of the provisions hereof.

22. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so

executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of a manually executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile shall also deliver a manually executed counterpart of this Agreement, but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

23. Right of Recordal of Security Interest. Agent shall have the right, but not the obligation, at the expense of Company, to record this Agreement in the United States Patent and Trademark Office and with such other recording authorities deemed reasonable and proper by Agent. Upon satisfaction in full of the Obligations and termination of the Loan Agreement, Company shall have the right to effect recordal of such satisfaction or termination at the expense of Company in the United States Patent and Trademark Office and with such other recording authorities deemed reasonable and proper by Company. Agent and Company shall cooperate to effect all such recordals hereunder.

[SIGNATURE PAGE FOLLOWS]

Trademark and License Security Agreement Signature Page

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

Company:

CULTUREWORX, INC., an Illinois corporation

By: Bruce Maxwell
Title: CEO

ACCEPTED AND AGREED BY:

EDGEWATER PRIVATE EQUITY
FUND III L.P., as Agent

By: Edgewater III Management, L.P.,
its General Partner

By: _____
David Tolmie, Partner

Trademark and License Security Agreement Signature Page

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

Company:


CULTUREWORX, INC., an Illinois corporation

By: _____
Title: _____

ACCEPTED AND AGREED BY:

EDGEWATER PRIVATE EQUITY
FUND III L.P., as Agent

By: Edgewater III Management, L.P.,
its General Partner

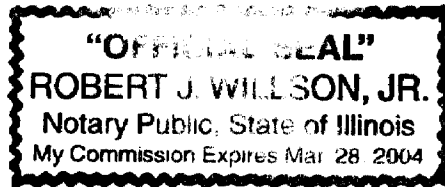
By:  _____
David Tolmie, Partner

STATE OF Illinois)
) SS
COUNTY OF Cook)

The foregoing Trademark and License Security Agreement was executed and acknowledged before me this 10th day of August, 2001, by Bruce A. Moeller, personally known to me to be the President of CultureWorx, Inc., an Illinois corporation, on behalf of such entity.

(SEAL)

Notary Public 
My commission expires 3-28-04



STATE OF Illinois)
) SS
COUNTY OF Cook)

The foregoing Trademark and License Security Agreement was executed and acknowledged before me this 10th day of August, 2001, by David Telnie, personally known to me to be the Partner of Edgewater Private Equity Fund III, L.P., as Agent on behalf of itself and certain Lenders.

(SEAL)

Notary Public Sarah Eastman
My commission expires 6-9-03



**SCHEDULE A TO
 TRADEMARK AND LICENSE SECURITY AGREEMENT**

Trademark Name	Status	Serial No. (Each is U.S.)
CultureWorx	Pending*	76/212,657
Limelight	Published	76/008,676
Motivation University	Registered	75/752,027 (Reg. #2428061)
Applause Board	Abandoned	75/752,034
Behavior Business Systems	Abandoned	76/161,945
Behaviorbiz	Abandoned	76/161,774
Electronic Virtual Account	Abandoned	75/915,665
Electronic Virtual Gift	Abandoned	76/009,416
E-Praise	Abandoned	75/752,026
EV Account	Abandoned	75/914,566
EV Gift	Abandoned	75/914,567
MOL	Abandoned	76/009,417
Motivation Online	Abandoned	76/009,415
Motivation Online (logo)	Abandoned	76/069,823
Vaccount	Abandoned	75/914,568
Vgift	Abandoned	76/009,418
Virtual Account	Abandoned	75/914,565

*The Patent and Trademark Office has identified a prior application for Culture@Work, owned by Schenkein, Inc. of Denver, Colorado as a potential conflict. The Company has until December 21, 2001 to file a Response to the Office Action, and it expects to advance arguments to the examiner that the two marks are different in sight, sound and meaning, and that the two applications cover different goods and services.

**SCHEDULE B TO
TRADemark AND LICENSE SECURITY AGREEMENT**

None