

09-21-2001

Form PTO-1594

(Rev. 03/01)

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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):

**91821**  
**AIT (USA), Inc.**  
**1111 Superior Avenue, #1225**  
**Cleveland, OH 44114**

- ☐ Individual(s) ☐ Association  
☐ General Partnership ☐ Limited Partnership  
☒ Corporation-State **Ohio**  
☐ Other \_\_\_\_\_

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

## 3. Nature of conveyance:

- ☐ Assignment ☐ Merger  
☒ Security Agreement ☐ Change of Name  
☐ Other \_\_\_\_\_

Execution Date: **September 17, 2001**

## 2. Name and address of receiving party(ies)

Name: **National Westminster Bank plc**Internal Address: **National Westminster House**Street Address: **Alfred Street**City: **Oxford** State: **U.K.** Zip: **OX1 4EB**☐ Individual(s) citizenship☐ Association☐ General Partnership☐ Limited Partnership☒ Corporation-State **United Kingdom**☐ 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

## 4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

**See attached sheet.**

B. Trademark Registration No.(s)

**See attached sheet.**Additional number(s) attached ☒ Yes ☐ No

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

Name: **Todd Braverman, Esq.**Internal Address: **Robinson Silverman Pearce****Aronsohn & Berman**Street Address: **1290 Avenue of the Americas**City: **New York** State: **New York** Zip: **10104**6. Total number of applications and registrations involved: **9**7. Total fee (37 CFR 3.41).....\$ **240.00**☒ 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.***Todd Braverman**

Name of Person Signing

**Todd Braverman**

Signature

**9/17/01**

Date

Total number of pages including cover sheet, attachments, and document: **1**

9/21/2001 LNUELLER 00000032 2357962

Documents to be recorded with required cover sheet information to:  
Commissioner of Patent & Trademarks, Box Assignments  
Washington, D.C. 2023101 FC:481  
02 FC:48240.00 OP  
200.00 OP**TRADEMARK**  
**REEL: 002370 FRAME: 0696**

## **Schedule A**

### **Trademarks**

1. CYBEREDGE (Registered – Reg. No. 2357962)
2. EDGE (Registered – Reg. No. 1648669)
3. EFORTIFY (Pending – Ser. No. 75868451)
4. IMA (stylized) (Registered – Reg. No. 2103029)
5. IMA (stylized) (Pending – Ser. No. 75612798)
6. LEVEREDGE (Registered – Reg. No. 2367598)
7. LINKEDGE (Pending – Ser. No. 76230178)
8. TELEBUSINESS (Registered – Reg. No. 1543337)
9. TELEMAR (Registered – Reg. No. 2097263)


IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
ASSIGNMENT BRANCH

APPOINTMENT OF DOMESTIC REPRESENTATIVE

Robinson, Silverman, Pearce, Aronsohn & Berman LLP, whose postal address is 1290 Avenue of the Americas, New York, NY 10104, is hereby designated National Westminster Bank plc's representative upon whom notice or process in proceedings affecting the trademarks listed on the attached Schedule A may be served.

NATIONAL WESTMINSTER BANK PLC

Dated as of September 17, 2001

By: 

Name: David Woodhead  
Title: Senior Corporate Manager  
Address: National Westminster House  
Alfred Street  
Oxford  
OX1 4EB  
United Kingdom

17 Sep 2001 10:32 P.02

Fax: 01865791146

NATIONAL WESTMINSTER OXFORD CBC

TRADEMARK

REEL: 002370 FRAME: 0698

## **SECURITY AGREEMENT**

**FOR VALUE RECEIVED**, and to induce **NATIONAL WESTMINSTER BANK PLC** a bank registered in England (hereinafter referred to as "Secured Party") to extend credit and other financial accommodations to **AIT LIMITED**, a company registered in England (the "Borrower"), **AIT (USA), INC.**, a corporation organized under the laws of Ohio (the "Company") hereby agrees that Secured Party shall have the rights, remedies and benefits hereinafter set forth.

### **ARTICLE 1**

#### **DEFINITIONS**

As used in this Agreement, the following terms shall have the following meanings:

"Affiliate" means with respect to any specified Person, any other Person that, directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise, and the term "controlling" and "controlled" have correlative meanings to the foregoing.

"Bankruptcy Code" means Title 11 of the United States Code, 11 U.S.C. section 101 et seq. and the rules and regulations promulgated thereunder.

"Bankruptcy Event of Default" means with respect to the Company or any Affiliate of the Company, if the Company or any Affiliate of the Company generally does not pay its debts as such debts become due, or admits in writing its inability to pay its debts generally; if the Company or any Affiliate of the Company commences a voluntary case concerning it under the Bankruptcy Code; or an involuntary case is commenced against the Company or any Affiliate of the Company under the Bankruptcy Code and an order for relief is entered or the petition is controverted but remains undismissed for thirty (30) days after the commencement of the case; or the Company or any Affiliate of the Company commences any other proceeding under any reorganization, arrangement, readjustment of debt, relief of debtors, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Company or any Affiliate of the Company; or there is commenced against the Company or any Affiliate of the Company in a court of competent jurisdiction any such proceeding which remains undismissed for a period of thirty (30) days after the commencement thereof; or the Company or any Affiliate of the Company consents to the appointment pursuant to a decree or order of a court in any such proceeding of a custodian (as defined in the Bankruptcy Code) for, or to take charge of, all or substantially all of their property or the Company or any Affiliate of the Company suffers any such appointment by a court of competent

jurisdiction to continue undischarged or unstayed for a period of thirty (30) days after such appointment; or the Company or any Affiliate of the Company makes a general assignment for the benefit of creditors; or the Company or any Affiliate of the Company takes any action authorizing the taking of any of the foregoing actions to be taken by it.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" shall mean all of the Company's now existing and hereafter arising interests in and to all of the following, whether now existing or owned or hereafter created or acquired, wherever located, including substitutions, accessions, additions and replacements thereto and thereof:

(a) all accounts, contract rights, chattel paper, documents, instruments, notes, acceptances, drafts and general intangibles (including, but not limited to, all computer software, computer programs, source and object code data and documentation, user manuals, administrator or director guides, flow charts and programmers' notes relating to computer software and programs, all choses in action and tax and duty refunds, all franchises, licenses, permits, patents and patent applications (including divisions, continuations, continuations in part, re-examinations, substitutions or reissues thereof, whether or not patents are issued on such applications and whether or not such applications are modified, withdrawn or resubmitted), inventions (whether or not patentable and whether or not reduced to practice), invention disclosures and improvements thereto, designs and plans, trademarks, tradenames and copyrights, and all rights thereunder and registrations thereof, mask works and registrations and applications for registration thereof, trade secrets, processes, procedures, manufacturing and marketing formulae and know how, worldwide websites, domain names or any other internet assets and any other similar intellectual property rights); all interest in the goods represented thereby and all returned, reclaimed and repossessed goods with respect thereto; all additional amounts due to the Company from any account debtor irrespective of whether such additional amounts have been specifically assigned to Secured Party; all guaranties, letters of credit and other agreements or property securing or relating to any of the items referred to above; all monies, deposits (general or special), securities, instruments, credits and other property of the Company now or hereafter actually or constructively held or received by, or in transit in any manner to or from, Secured Party or any entity which at any time participates in Secured Party's financing of the Borrower, whether for safekeeping, custody, pledge, transmission, collection or otherwise; and all rights and remedies of the Company under or in connection with all of the foregoing;

(b) all production records, or software reproduction records, product files, technical information (including copies of technical data, designs, drawings, source code text and notations, price lists, marketing plans and strategies), sales records, product development techniques or plans, customer lists and files (including customer credit and collection information), details of client or consultant contracts, operational methods, and any and all information or documents relating to vendors, in each case in the Company's care, custody or control or otherwise available to it;

(c) all accounts receivable, trade receivables, fees receivable, notes receivable and any other receivables;

(d) all customer license, support and maintenance, and professional services contracts;

(e) any and all goodwill and the exclusive right to use any trademarks of the Company or any trademarks owned by the Company or any variation thereof;

(f) all distributor and reseller agreements;

(g) all partnership agreements;

(h) all escrow agreements;

(i) all consulting agreements;

(j) all support and maintenance agreements;

(k) all third party software vendor and distribution agreements;

(l) all marketing agreements;

(m) any royalty payments or other consideration payable pursuant to Section 365(n)(2)(B) of the Bankruptcy Code which the Company acquires from Information Management Associates, Inc. ("IMA"), a corporation organized under the laws of Connecticut;

(n) all inventory, including raw materials and all other goods, all right, title and interest of the Company therein and thereto;

(o) all machinery, equipment, furniture, furnishings, fixtures, tools, supplies, computer equipment of every kind, and all attachments, components, accessories and parts therefor or installed thereon or affixed thereto;

(p) all of the Company's leasehold interests in equipment, premises or facilities leased from third parties;

(q) all of the Company's books, records, ledger sheets, ledgers, files, orders, invoices and shipping receipts (including, without limitation, computer programs, tapes and related electronic data processing software) relating to all of the foregoing;

(r) any and all products and proceeds of the foregoing in any form, whether from the voluntary or involuntary disposition thereof, including, without limitation, accounts, contract rights, general intangibles, chattel paper, documents, instruments, inventory, equipment, fixtures, all insurance proceeds and all claims by the Company

against third parties for damage to or loss or destruction of any or all of the foregoing;  
and

(s) all assets acquired from IMA pursuant to the Asset Purchase Agreement, dated August 10, 2001.

"Contract" means any agreement, contract, commitment, license, or other binding arrangement or understanding, whether written or oral.

"Environmental Laws" means any and all applicable federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, licenses, agreements or other governmental restrictions relating to the environment or to the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, emission, release, threatened release, discharge, spillage, seepage, or filtration of pollutants, contaminants, chemicals, or industrial, toxic or other Hazardous Wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes, including petroleum and petroleum products.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, including any rules and regulations promulgated thereunder.

"ERISA Affiliate" means any corporation or trade or business which is a member of any group of organizations (i) described in Section 414(b) or (c) of the Code of which the Company or any Affiliate is a member, or (ii) solely for purposes of potential liability under Section 302(c)(11) of ERISA and Section 412(c)(11) of the Code and the lien created under Section 302(f) of ERISA and Section 412(n) of the Code, described in Section 414(m) or (o) of the Code of which the Company or any Affiliate is a member.

"Event of Default" shall have the meaning assigned to such term in the Loan Agreement.

"Guarantee" shall mean that certain guarantee dated as of September 17, 2001, executed by the Company in favor of the Secured Party.

"Hazardous Materials" means any material, substance, compound, solid, liquid or gas, or any radiation, emission or release of energy in any form, whether naturally occurring, man-made or the product of any process, (a) which is or may under certain conditions be toxic, harmful, or hazardous to public health, public safety, or the environment, (b) which is or may be defined or regulated as a "hazardous waste", "hazardous substance", "toxic substance", pollutant or contaminant under any Environmental Law, (c) the use, handling, management, release, treatment, storage, transportation or disposal of which is or may be regulated under any Environmental Law, or (d) the removal, remediation or abatement of which is required under any Environmental Law. Hazardous Materials include, but are not limited to, asbestos,

polychlorinated biphenyls, mercury, lead, petroleum and petroleum products and derivatives, urea formaldehyde foam insulation, and radon and other radioactive materials.

"Loan Agreement" shall mean that certain letter agreement, dated as of September September 17, 2001, between the Borrower and Secured Party, providing for a revolving credit facility of up to \$16,500,000 (or the Sterling equivalent thereof), as the same shall have been amended, supplemented or otherwise modified from time to time.

"Multiemployer Plan" means, at a particular time, an employee benefit plan (a) which is a "multiemployer plan" as defined in Section 3(37) of ERISA and to which contributions are or required to be made by the Company, an Affiliate or any ERISA Affiliate or (b) with respect to which the Company, an Affiliate or any ERISA Affiliate would have liability under Section 4212(c) of ERISA in the event of a withdrawal or plan termination at such time.

"Obligations" shall mean all present and future indebtedness, obligations, covenants, duties and liabilities of any kind or nature of the Company to Secured Party, now or hereafter existing, arising directly between the Company and Secured Party or acquired outright, conditionally or as collateral security from another by Secured Party, absolute or contingent, joint and/or several, secured or unsecured, due or not due, contractual or tortious, liquidated or unliquidated, arising by operation of law or otherwise, direct or indirect, whether or not evidenced by any note, agreement or other instrument, including, but without limiting the generality of the foregoing, indebtedness, obligations, covenants, duties and liabilities of the Company to Secured Party pursuant to the Guarantee.

"PBGC" means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

"Person" means any corporation, limited liability company, partnership, joint venture, organization, entity, authority or natural person.

"Plan" means, at a particular time, any employee benefit plan (other than a Multiemployer Plan) (i) which is covered by Title IV of ERISA and which is maintained or contributed to by the Company, any Affiliate or any ERISA Affiliate or (ii) with respect to which the Company, any Affiliate or any ERISA Affiliate would have any liability under Section 4069 of ERISA if such plan were terminated at such time.

"Potential Event of Default" shall have the meaning assigned to such term in the Loan Agreement.

"Unfunded Benefit Liabilities" means, with respect to any Plan, the amount (if any) by which the present value of all benefit liabilities (within the meaning of Section 4001(a)(16) of ERISA) under the Plan exceeds the fair market value of all Plan assets allocable to such benefit liabilities, as determined on the most recent valuation date of the Plan and in accordance with the provisions of ERISA for calculating the potential liability of the Company, any Affiliate or any ERISA Affiliate under Title IV of ERISA.



Capitalized terms used herein and not otherwise defined shall have the meanings assigned by the Loan Agreement. Unless the context otherwise indicates, all terms used without definition in this Agreement shall have the meanings ascribed to them in the Uniform Commercial Code of the State of New York as presently in effect, to the extent the same are used or defined therein.

## ARTICLE 2

### SECURITY

**2.1 Grant of Security Interest.** As security for the payment and performance of the Obligations, the Company hereby grants to Secured Party a continuing security interest in and a general lien upon the Collateral.

## ARTICLE 3

### **REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEBTOR**

The Company hereby represents and warrants to, and covenants and agrees with, Secured Party that:

**3.1 Organization and Good Standing.** The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Ohio and has all requisite corporate power and authority to own its properties and conduct its business as presently conducted or contemplated, and is duly qualified to do business as a foreign corporation and is in good standing in all other jurisdictions where the ownership or leasing of its properties or the conduct of its business requires such qualification, except where the failure to be so qualified would not, individually or in the aggregate, have a material adverse effect on the Company's financial condition or its ability to perform its obligations hereunder or under the Guarantee.

**3.2 Due Authorization and No Conflict.** The execution, delivery and performance by the Company of this Agreement and all other instruments and documents to be delivered hereunder, and the transactions contemplated hereby, are within the powers and have been duly authorized by all necessary action of the Company and do not contravene, conflict with, result in any breach of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, or require consents not acquired under, (i) any law, rule or regulation applicable to the Company or its property, (ii) any contractual restriction contained in any indenture, loan or credit agreement, lease, mortgage, security agreement, bond, note, or other material agreement or instrument binding on or affecting the Company or its property or (iii) any order, writ, judgment, award, injunction or decree binding on or affecting the Company or its property, which, in the case of any of (i), (ii), and (iii) above, would have a material adverse effect on the Company's financial condition or its ability to perform its obligations hereunder or under the Guarantee.

**3.3 Enforceability.** This Agreement constitutes the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally, or general equitable principles (whether in a proceeding at law or in equity).

**3.4 Performance of Obligations.** The Company will pay and perform all of the Obligations according to their terms.

**3.5 Locations of Offices and Collateral.** Schedule A annexed hereto accurately and completely sets forth the mailing addresses of the chief executive office of the Company, the principal and other places of business of the Company, the office where the Company keeps their books and records concerning the Collateral (including accounts and contract rights) and the locations where any of the Collateral is or may hereafter be located, and the Company will not change any of the same, nor open or make use of any new place of business or location of Collateral or books and records, without thirty (30) days' prior written notice to Secured Party.

**3.6 Financing Statements; Further Assurances.** The Company hereby authorizes the Secured Party, at any time and from time to time, at the Company's sole cost and expense, to file one or more financing statements pursuant to the Uniform Commercial Code, or amendments or continuations thereof. The Company shall execute and deliver, and shall authorize the Secured Party to execute and deliver, such other agreements, instruments, certificates and other documents (including, without limitation, any financing statement or similar statement or instrument of registration under the law of any jurisdiction) and take such other actions as may be necessary or desirable, in the opinion of Secured Party, to further evidence, effect or perfect the security interest granted herein or to otherwise effectuate the purposes of this Agreement.

**3.7 Title to Collateral.** The Collateral is, and shall at all times be, owned by the Company free and clear of any security interests, liens or encumbrances, except for such security interests, liens or encumbrances which are Permitted Encumbrances (as defined in the Loan Agreement).

**3.8 Disposition of Collateral.** Except for (i) sales of inventory or equipment, and (ii) the grant of licenses, in each case in the ordinary course of the Company's business, the Company will not sell, exchange or otherwise dispose of any of the Collateral, or any rights thereto, without having obtained Secured Party's prior written consent in each instance.

**3.9 Discharge of Liens.** The Company shall immediately pay and cause the discharge of any liens, taxes or assessments which may be levied upon the Collateral, except for the Permitted Encumbrances.

**3.10 Insurance.** The Company, at its own cost and expense, will insure the Collateral at all times against all hazards usually and customarily covered as well as others reasonably specified by Secured Party, including, but not limited to, fire, theft and risks covered

by extended coverage insurance. All such policies shall be payable to Secured Party as its interest may appear. Said policies of insurance shall be satisfactory to Secured Party as to form, amount and insurer. At Secured Party's request, the Company shall furnish certificates, policies or endorsements to Secured Party as proof of such insurance, and if it fails to do so Secured Party is authorized, but not required, to obtain such insurance at the Company's expense. All policies shall provide for at least thirty (30) days' prior written notice of cancellation to Secured Party. Upon and after the occurrence of an Event of Default, a Potential Event of Default or a Bankruptcy Event of Default, Secured Party may act as attorney-in-fact for the Company in making, adjusting and settling any claims under any such insurance policies. The Company hereby assigns to Secured Party all of its right, title and interest in and to any insurance policies insuring the Collateral, including all rights to receive the proceeds of insurance, and directs all insurers to pay all such proceeds directly to Secured Party and authorizes Secured Party to endorse the Company's name on any instrument for such payment. Notwithstanding the foregoing, so long as no Event of Default, Potential Event of Default or Bankruptcy Event of Default exists, upon the Company's written request Secured Party shall hold such proceeds at the prevailing rate of interest as reasonably determined by Secured Party in its sole discretion, and make such proceeds available to the Company to replace or repair the Collateral in question, upon such terms and conditions as Secured Party may reasonably require.

**3.11 Condition of Collateral.** The Company will keep the Collateral in good condition and repair, reasonable wear and tear excepted, and will furnish all required parts and servicing (including any contract service necessary to maintain the benefit of any warranty of the manufacturer). The Company will promptly notify Secured Party of any destruction of or any substantial damage to any of the Collateral.

**3.12 Actions by Secured Party.** Secured Party may, in its sole discretion and at any time, for the account and expense of the Company, pay any amount or do any act required of the Company hereunder or reasonably requested by Secured Party to preserve, protect, maintain or enforce the Obligations, the Collateral or the security interest granted herein, and which the Company fails to do or pay after notice from Secured Party, including, without limitation, payment of any judgment against the Company, any insurance premium, any warehouse charge and any lien, claim or encumbrance upon or with respect to the Collateral, and any such payment shall be added to the Obligations and shall be payable upon demand.

**3.13 Adverse Changes.** The Company shall promptly notify Secured Party in writing of any material adverse change in the Company's financial condition or any event which materially adversely affects the value of the Collateral or the rights or remedies of Secured Party in relation to the Company or any Collateral.

**3.14 Inspection of Collateral.** The Company will at all times during normal business hours allow Secured Party or its agents to examine and inspect the Collateral as well as the Company's books and records pertaining thereto, and to make extracts and copies thereof. Unless an Event of Default, Potential Event of Default or a Bankruptcy Event of Default exists, Secured Party will endeavor to give reasonable advance notice of any such inspection of the Collateral to the Company.

**3.15 Reports.** The Company will report, in form satisfactory to Secured Party, such information as Secured Party may reasonably request from time to time regarding the Collateral, including, without limitation, a monthly receivables aging schedule.

**3.16 Changes in Structure.** The Company shall not become a party to any consolidation, merger, liquidation or dissolution, except as permitted by the Loan Agreement.

**3.17 Name Changes.** The Company will notify Secured Party of any intended change in the Company's name, and will notify Secured Party when such change becomes effective.

**3.18 Former or Fictitious Names.** Schedule A annexed hereto accurately and completely sets forth all corporate or fictitious names, and tradenames used by the Company or by which the Company has been known during the preceding five (5) years, and the Company will give Secured Party prior written notice of the Company's use of any fictitious name or tradename not listed on the annexed Schedule A.

**3.19 Required Consents.** No consent or approval of any governmental body or regulatory authority or of any other person, corporation or entity is or will be necessary or required for the execution, delivery and performance of this Agreement, or for the grant of a security interest in the Collateral to Secured Party, or the exercise by Secured Party of any rights with respect to the Collateral, except for such consents as have heretofore been obtained and delivered to Secured Party.

**3.20 No Litigation.** There are no pending or threatened actions or proceedings before any court, judicial body, administrative agency or arbitrator which, if adversely determined, could reasonably be expected to materially adversely affect (a) the financial condition or operations of the Company, (b) the Collateral, or (c) the ability of the Company to perform hereunder.

**3.21 Delivery and Marking of Certain Collateral.** The Company will, upon the reasonable request of the Secured Party (a) deliver and pledge to Secured Party, duly endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as Secured Party may request, any and all instruments, documents, securities and chattel paper which are included in the Collateral, (b) cause the issuance of a document in the name of Secured Party in respect of any goods in the possession of a bailee (other than a bailee who has issued a negotiable document therefor), and (c) keep and stamp or otherwise mark any and all documents and chattel paper, and its individual books and records relating to inventory, accounts, chattel paper, securities and contract rights, in such manner as Secured Party may reasonably require.

**3.22 No Filing Required.** No action of, or filing with, any governmental or public body or authority (other than the filing and recording of Uniform Commercial Code financing statements and other instruments typically required to perfect security interests in the types of property constituting Collateral) is required in connection with the execution, delivery

and performance of this Agreement, the Guarantee or any of the instruments or documents to be delivered pursuant hereto or thereto.

**3.23 Licenses and Approvals.** Except where a failure to do so would not have a material adverse effect on the Company's financial condition or its ability to perform its obligations hereunder or under the Guarantee, the Company has obtained all necessary licenses and approvals and is in compliance with all applicable state and federal laws and regulations relating to the conduct of its business as presently conducted or contemplated.

**3.24 Preservation of Corporate Existence, Etc.** The Company will at all times preserve and keep in full force and effect its existence, licenses, permits, rights and franchises, except as permitted by the Loan Agreement.

**3.25 ERISA.** Each Plan and, to the knowledge of the Company, each Multiemployer Plan, if any, are in compliance in all material respects with, and have been administered in all material respects in compliance with, the applicable provisions of ERISA, the Code and any other applicable federal or state law. To the knowledge of the Company, as of the date hereof there exist no Unfunded Benefit Liabilities.

**3.26 Environmental Matters.** Except where, with respect to (i) below a failure to do so, and with respect to (ii) below the presence of which, would not have a material adverse effect on the Company's financial condition or its ability to perform its obligations hereunder or under the Guarantee (i) the Company and each Affiliate are in compliance with all applicable Environmental Laws and (ii) neither the Company nor any Affiliate are subject to any material liability under any Environmental Law. As of the date hereof, the Company has delivered such notices and provided such information to Secured Party with respect to environmental matters as it would have been required to deliver or provide had this Agreement been continuously in effect during the year immediately preceding date hereof.

**3.27 ERISA Notification.** As soon as possible, and in any event within ten (10) days after the Company or any Affiliate has knowledge that any of the events or conditions specified below with respect to any Plan or Multiemployer Plan have occurred or exist, the Company will provide to Secured Party a statement signed by a senior financial officer of the Company setting forth details respecting such event or condition and the action, if any, which the Company, such Affiliate or an ERISA Affiliate proposes to take with respect thereto (and a copy of any report or notice required to be filed with or given to PBGC by the Company, such Affiliate or an ERISA Affiliate with respect to such event or condition): (i) any reportable event, as defined in Section 4043(c) of ERISA, with respect to a Plan with Unfunded Benefit Liabilities in excess of \$100,000, as to which PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within thirty (30) days of the occurrence of such event (provided that a failure to meet the minimum funding standard of Section 412 of the Code or Section 302 of ERISA including, without limitation, the failure to make on or before its due date a required installment under Section 412(m) of the Code or Section 302(e) of ERISA, shall be a reportable event regardless of the issuance of any waivers in accordance with Section 412(d) of the Code) and any request for a waiver under Section 412(d) of the Code for any such Plan; (ii) the distribution under Section 4041 of ERISA of a notice of intent to terminate any Plan or

any action taken by the Company, such Affiliate or an ERISA Affiliate to terminate any Plan; provided that as a result of such termination, the Company, such Affiliate or such ERISA Affiliate will incur liability in excess of \$100,000; (iii) the institution by PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan with Unfunded Benefit Liabilities in excess of \$100,000, or the receipt by the Company, such Affiliate or any ERISA Affiliate of a notice from a similarly underfunded Multiemployer Plan that such action has been taken by PBGC with respect to such Multiemployer Plan; (iv) the complete or partial withdrawal from a Multiemployer Plan by the Company, such Affiliate or any ERISA Affiliate that results in a current payment obligation in excess of \$100,000 under Section 4201 or 4204 of ERISA (including the obligation to satisfy secondary liability as a result of a purchaser default) or the receipt of the Company, such Affiliate or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041 A of ERISA; (v) the adoption of an amendment to any Plan that pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA would result in the loss of tax-exempt status of the trust of which such Plan is a part if the Company, such Affiliate or an ERISA Affiliate fails to timely provide security in excess of \$100,000 to the Plan in accordance with the provisions of said Sections; (vi) any event or circumstance exists which may reasonably be expected to constitute grounds for the Company, such Affiliate or any ERISA Affiliate to incur liability in excess of \$100,000 under Title IV of ERISA or under Section 412(c)(I) or 412(n) of the Code with respect to any Plan; or (vii) the Unfunded Benefit Liabilities of one or more Plans increase after the date of this Agreement in an amount which is material in relation to the financial condition of the Company.

**3.28 Environmental Notification.** Promptly after becoming aware (i) of the existence of any violation or alleged violation of any Environmental Law by the Company or any Affiliate; (ii) of any notice or claim to the effect that the Company or any Affiliate are a potentially responsible party for response costs incurred or to be incurred at any property under any Environmental Law; (iii) that any of the operations or facilities of the Company or any Affiliate have become the subject of any state or federal investigation evaluating whether any remedial action pursuant to the National Contingency Plan, or any state equivalent, is needed to respond to a release or threatened release of a Hazardous Material into the environment; or (iv) that any of the operations or facilities of the Company or any Affiliate have become listed or are proposed for listing on the National Priorities List in accordance with 40 C.F.R., Part 300, Appendix B, or any state equivalent; the Company will provide the Secured Party with prompt written notice thereof, what action the Company or any Affiliate is taking or proposes to take with respect thereto and, when known, any action taken, or proposed to be taken, by any Governmental Authority with respect thereto.

## **ARTICLE 4**

### **RIGHTS AND REMEDIES UPON DEFAULT**

Upon and after the occurrence of an Event of Default, Potential Event of Default or a Bankruptcy Event of Default, Secured Party shall have all of the following rights and reme-

dies, in addition to those available to it under other sections of this Agreement, the Loan Agreement, the Guarantee, by applicable law or otherwise:

**4.1 Acceleration of Obligations.** All or any portion of the Obligations shall, at the option of Secured Party and without notice, demand or legal process, become immediately due and payable.

**4.2 Rights Under Uniform Commercial Code.** Secured Party shall have all of the rights and remedies of a secured party under the Uniform Commercial Code of the State of New York and of any state in which Collateral is located from time to time.

**4.3 Possession of Collateral.** Secured Party shall have the right: (a) to enter upon any premises of the Company or any other place or places where the Collateral is located and kept through self-help and without judicial process without first obtaining a final judgment or giving the Company notice and opportunity for a hearing on the validity of Secured Party's claim and without any obligation to pay rent; (b) to prepare, assemble or process the Collateral for sale, lease, or other disposition; (c) to remove the Collateral to the premises of Secured Party or any agent of Secured Party, for such time as Secured Party may desire, in order to collect or dispose of the Collateral; and (d) to require the Company to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party.

**4.4 Action Pending Disposition.** Until Secured Party is able to effect a sale or other disposition of the Collateral, Secured Party shall have the right to use or take such action with respect to the Collateral, or any part thereof, as it deems appropriate for the purpose of preserving the Collateral or its value or for any other purpose deemed appropriate by Secured Party. Secured Party shall have no obligation to the Company to maintain or preserve the rights of the Company as against third parties with respect to the Collateral while the Collateral is in the possession of Secured Party. Secured Party may, if it so elects, seek the appointment of a receiver or keeper to take possession of the Collateral and to enforce any of Secured Party's remedies with respect to such appointment without prior notice or hearing.

**4.5 Disposition of Collateral.** Secured Party shall have the right to sell or otherwise dispose of all or any of the Collateral, at public or private sale or sales, in lots or in bulk, for cash or on credit, all as Secured Party, in its sole discretion, may deem advisable. Secured Party will give notice (i) to the Company and (ii) to any other party required to be provided notice under Section 9-611 of the Uniform Commercial Code, of the time and place of any public sale of the Collateral, or of the time after which any private sale or any other intended disposition thereof is to be made, by sending notice as provided in Section 6.2 below in the form prescribed by Section 9-613 of the Uniform Commercial Code, at least five (5) days before the time of the sale or disposition, which provisions for notice the Company and Secured Party agree are commercially reasonable; provided, however, that no such notice need be given by Secured Party with respect to Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market. Such sales may be adjourned and continued from time to time with or without notice. Secured Party shall have the right to conduct such sales on the Company's premises or elsewhere and shall have the right to use the Company's premises without charge for such sales for such time or times as Secured Party deems necessary

or advisable. To enable Secured Party to effect any such sale, assignment and/or transfer, the Company hereby makes, constitutes and appoints Secured Party as its true and lawful attorney, in its name, place and stead, and for its account and risk, to make, execute and deliver any and all assignments or other instruments which Secured Party may deem necessary or proper to effectuate the authority hereby conferred by signing the Company's name only or by signing the same as its attorney-in-fact, as may be deemed by Secured Party to be necessary or proper in connection with any sale, assignment or transfer of all or any part of the Collateral. The foregoing power of attorney is coupled with an interest and shall be a continuing one and irrevocable so long as any portion of the Obligations remains unpaid in whole or in part.

Secured Party may purchase all or any part of the Collateral at public sale or, if permitted by law, private sale, and in lieu of actual payment of such purchase price, may set off the amount of such price against the Obligations. Except as otherwise provided by law, the proceeds realized from the sale of any of the Collateral shall be applied by Secured Party first to the reasonable costs, expenses and attorneys' fees and expenses incurred by Secured Party for collection and for acquisition, completion, protection, removal, storage, sale and delivery of the Collateral, and then to any of the Obligations in such order and manner as Secured Party, in its sole discretion, deems advisable. If any deficiency shall arise, the Company shall remain liable to Secured Party therefor.

**4.6 Waiver of Bond.** In connection with the foregoing remedies, the Company hereby waives the posting of any bond which might otherwise be required.

**4.7 Remedies Cumulative.** All rights and remedies of Secured Party arising under this Agreement, the Guarantee, or any other agreement with the Company or by operation of law shall be cumulative and non-exclusive, to the fullest extent permitted by law.

## ARTICLE 5

### **SECURED PARTY'S EXPENSES AND ATTORNEYS' FEES**

**5.1 The Company's Liability for Secured Party's Expenses.** The Company will be liable to Secured Party for any and all sums, costs and expenses which Secured Party may pay or incur pursuant to the provisions of this Agreement or in defending, protecting or enforcing the security interest granted herein or in enforcing payment of the Obligations or otherwise in connection with the provisions hereof, including without limitation all search, filing and recording fees, appraisal fees, taxes, levies and reasonable attorneys' and accountants' fees and expenses, all fees and expenses for the service and filing of papers, fees of marshals, sheriffs, custodians, auctioneers and others, travel expenses, court costs and collection charges, all expenditures in connection with the repossession, holding, preparation for sale and sale of the Collateral, and all such liabilities shall be part of the Obligations and shall be payable upon demand.



## ARTICLE 6

### MISCELLANEOUS

**6.1 Waivers.** Any failure or delay by Secured Party to require strict performance by the Company of any of the provisions, warranties, terms or conditions contained herein or in the Guarantee shall not affect Secured Party's right to demand strict compliance therewith and performance thereof, and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions and terms contained herein or in any other agreement, document or instrument shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers, stockholders or employees, but only by an instrument in writing, signed by an appropriate officer of Secured Party and directed to the Company, specifying such waiver.

### **6.2 Notices.**

(a) Any notice, demand, consent, approval, disapproval or statement (collectively, "Notices") required or permitted to be given by the terms and provisions of this Agreement, or by any law or governmental regulation, shall be in writing and, unless otherwise required by such law or regulation, shall be personally delivered or sent by United States mail, postage prepaid, as registered or certified mail or by nationally recognized overnight courier service. Any Notice to the Company shall be sent to AIT (USA), Inc., 1111 Superior Avenue, #1225, Cleveland, Ohio 44114, Attention: Geoff Wingar, with copies to AIT Group plc, The Smith Centre, Fairmile, Henley-on-Thames, Oxfordshire RG9 6AB, United Kingdom, Attention: Tom Crawford and to Hugh James Ford Simey, Arlbee House, Grey Friars Road, Cardiff, Wales CF 10 3QB, Attention: William D. Snowden. Any Notice to Secured Party shall be sent to National Westminster Bank Plc, National Westminster House, Alfred Street, Oxford, OX1 4EB, Attention: David Woodhead, with a copy to Robinson Silverman Pearce Aronsohn & Berman LLP, 1290 Avenue of the Americas, New York, New York 10104, Attention: Walter H. Curchack, Esq. By giving the other party at least ten (10) days' prior written notice, any party may, by Notice given as above provided, designate a different address or addresses for Notices.

(b) Any Notice shall be deemed given as of the date of delivery, with receipt acknowledged or as indicated by affidavit, in the case of personal delivery; in the case of mailing, any Notice shall be deemed given on the fifth business day after mailing; in the case of delivery by nationally recognized overnight courier service, any Notice shall be deemed given on the next business day after dispatch.

**6.3 Severability.** Wherever possible, each provision of this Agreement shall be interpreted in a manner so as to be effective and valid under applicable law. If any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such provision and the remaining provisions of this Agreement shall remain unaffected and in full force and effect.

**6.4 Successors and Assigns.** This Agreement shall be binding upon and for the benefit of the parties hereto and their respective legal representatives, successors and assigns.

**6.5 Governing Law; Consent to Jurisdiction; Venue Waiver; Waiver of Jury Trial.** The validity, interpretation and effect of this Agreement shall be governed by the laws of the State of New York without giving effect to the conflicts of laws principles thereof. The Company hereby consents to the nonexclusive jurisdiction of all courts in said State and hereby waives all right to trial by jury in any action, suit or proceeding brought to enforce or defend any rights or remedies under this Agreement.

**6.6 Articles and Section Titles.** The titles of articles and sections contained in this Agreement are merely for convenience and shall be without substantive meaning or content.

**6.7 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be considered an original but all of which shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of  
September 17, 2001.

NATIONAL WESTMINSTER BANK PLC


By: \_\_\_\_\_  
Name:  
Title:

AIT (USA), INC.

By: *T. Crawford* X TC  
Name: T. Crawford  
Title: COO

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of September 17, 2001.

NATIONAL WESTMINSTER BANK PLC

By:   
Name: David Woodhead  
Title: Senior Corporate Manager

AIT (USA), INC.

By: \_\_\_\_\_  
Name:  
Title:

## SCHEDULE A TO SECURITY AGREEMENT

### Address of the Company's Chief Executive Office:

AIT (USA), Inc.  
1111 Superior Avenue, Suite 1225  
Cleveland, Ohio 44114-2507

### Address of the Company's Principal Place of Business:

AIT (USA), Inc.  
1111 Superior Avenue, Suite 1225  
Cleveland, Ohio 44114-2507

### Other Places of Business:

AIT (USA), Inc.  
The Chrysler Building  
405 Lexington Avenue, 26<sup>th</sup> Floor  
New York, NY 10174

### Office Where Books and Records re: Collateral Are Kept:

AIT (USA), Inc.  
1111 Superior Avenue, Suite 1225  
Cleveland, Ohio 44114-2507

### Locations of Collateral:

AIT (USA), Inc.  
1111 Superior Avenue, Suite 1225  
Cleveland, Ohio 44114-2507

AIT (USA), Inc.  
The Chrysler Building  
405 Lexington Avenue, 26<sup>th</sup> Floor  
New York, NY 10174

### Former Names, Fictitious Names, Tradenames and Tradestyles:

None

## SCHEDULE 1.1(b)

### INTELLECTUAL PROPERTY

**(a) computer software, computer programs, source and object code data and documentation:**

EDGE\*

- AdvantEDGE
- CyberEDGE

TELEMAR\*

- TELEMAR Mobile

MSM/400\*

- MSM Remote

Including all related gateways and DBLs.

Other than non-material standard desktop applications available through or in consumer stores or the Internet pursuant to third person “shrink wrap” or “click through” licenses, Seller owns all software products above with the exception of software embedded therein which has been licensed pursuant to the agreements set forth in Schedule 1.1(o). Seller has a valid right to use all software set forth in Schedule 1.1(o).

**(b) user manuals, administrator or director guides, flow charts and programmers’ notes relating to computer software and programs developed by or on behalf of Seller:**

See attached.

**(c) patents and patent applications (including divisions, continuations, continuations in part, re-examinations, substitutions or reissues thereof, whether or not patents are issued on such applications and whether or not such applications are modified, withdrawn or resubmitted), inventions (whether or not patentable and whether or not reduced to practice), invention disclosures and improvements thereto, designs and plans:**

None

**(d) all Trademarks and service marks (whether registered or unregistered), trade dress, trade names, brand names, logos, corporate names and registrations and applications for registration thereof:**

Seller intends to use the following corporate names in connection with the liquidation of these entities post-closing:

- Information Management Associates, Inc.
- Information Management Associates, Limited
- IMA Software Australia Pty Limited
- IMA Software, GmbH
- IMA Software France, SARL.

**Trademarks:**

CYBEREDGE (Registered – registration #2357962)

EDGE (Registered – registration #1648669)

EFORTIFY (Pending – serial #75868451)\*

IMA (stylized) (Registered – registration #2103029)

IMA (stylized) (Pending – serial #75612798)\*

LEVEREDGE (Registered – registration #2367598)

LINKEDGE (Pending – serial #76230178)\*

TELEBUSINESS (Registered – registration #1543337)

TELEMAR (Registered – registration #2097263)

\*Pending applications are subject to existing or future office actions or third party opposition.

**(e) copyright registrations and applications for registration thereof:**

TELEMAR software. Copyright registration number TXu 222-168.

**(f) mask works and registrations and applications for registration thereof:**

None.

**(g) trade secrets, processes, procedures, manufacturing and marketing formulae and know how:**

Any and all of Seller's trade secrets, processes, procedures, manufacturing and marketing formulae and know how related to the design, development, production, installation and implementation of the computer products listed in Section (a) herein.

**(h) worldwide websites, domain names or any other Internet Assets:**

IMAEDGE.COM

EFORTIFY.COM  
EFORTIFY.NET  
EFORTIFY.ORG  
E-FORTIFY.NET  
E-FORTIFY.ORG  
EFORTIFYINC.COM  
EFORTIFYINC.NET  
EFORTIFYINC.ORG  
EFORTIFYSUCKS.COM

**(i) any other similar intellectual property rights:**

None.