

FORM PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) **RECORDATION FORM COVER SHEET TRADEMARKS ONLY** U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

Tab Settings ⇌⇌⇌ ▼ ▼ ▼ ▼ ▼ ▼ ▼ ▼

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

1. Name of conveying party(ies):
RECRUITSOFT, INC.,
182 Second Street, 5th Floor
San Francisco, CA 94105
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State Delaware
 Other _____
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: National Bank of Canada
Internal Address: _____
Street Address: 150, boulevard René-Lévesque East, Suite 1910
City: Quebec State: Canada Zip: G1R 5B1
 Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State Quebec, Canada
 Other _____
If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
Execution Date: November 27, 2001


4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
76 044909; 75 724581
Additional number(s) attached? Yes No

B. Trademark Registration No.(s)

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Nancy Bouch, Senior Legal Assistant
Internal Address: Wilson Sonsini Goodrich & Rosati, PC
1117-2B-P7
Street Address: 650 Page Mill Road
City: Palo Alto State: CA Zip: 94304

6. Total number of applications and registrations involved:..... 2
7. Total fee (37 CFR 3.41)..... \$ 80.00
 Enclosed
 Authorized to be charged to deposit account
8. Deposit account number:
23-2415 (Ref:24031.000)
(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.
Nancy Bouch  December 6, 2001
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 18
Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 002379 FRAME: 0624

SECURITY AGREEMENT

AGREEMENT dated as of November 27th, 2001, by and between **NATIONAL BANK OF CANADA**, a corporation organized under the laws of Canada, having a principal place of business at 150, boulevard René-Lévesque East, Suite 1920, Quebec, Province of Quebec, Canada, G1R 5B1 (hereinafter referred to as the "**Secured Party**") and **RECRUITSOFT INC.**, a corporation organized under the laws of the State of Delaware, United States of America, having a main office at 182 Second Street, 5th Floor, San Francisco, CA, 94105 (hereinafter sometimes referred to as the "**Corporation**").

WHEREAS the Secured Party addressed to Recruitsoft (Canada) Inc. on November 24, 1999 an offer to finance, which was modified by two amendment letters respectively dated June 28, 2000 and October 19, 2001, the terms of which have been stated in a confirmatory agreement dated November 27th, 2001 (hereinafter collectively called the "**Credit Agreement**");

WHEREAS under the Credit Agreement the Secured Party has agreed to grant notably a demand credit facility of **FIVE HUNDRED THOUSAND DOLLARS (500 000\$)** (the "**Credit Facility**") to **RECRUITSOFT (CANADA) INC.** (the "**Borrower**") for the purposes described in the Credit Agreement;

WHEREAS the Secured Party agrees to make available the Credit Facility but only upon the condition, among others, that the Corporation executes and delivers to the Secured Party for its benefit this security agreement;

WHEREAS this agreement evidences and sets forth the obligations of the Corporation (the "**Corporation's obligation**") with respect to the Credit Agreement;

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the parties hereto agree as follows:

/2

1. DEFINITION

- 1.1 **"Liability" or "Liabilities"** shall mean all the obligations of the Corporation to the Secured Party, whether now existing or hereafter arising, direct or indirect, fixed or contingent, secured or unsecured, matured or unmatured, joint, several or joint and several, arising out of or in connection with the Credit Agreement or any other document executed in connection with the Credit Agreement, and any and all interest, commissions, obligations, liabilities, indebtedness, charges and expenses direct or indirect, primary, secondary, contingent, joint or several which are due or to become due or that may hereafter be contracted or acquired of the Corporation to the Secured Party, no matter how or when arising and whether under any present or future agreement or instrument between Corporation and Secured Party or otherwise, or on account of any of the foregoing and the performance and fulfillment by the Corporation of all the terms, conditions, promises, covenants and provisions contained in existing documents evidencing or securing the Corporation's Obligation, this Agreement, or in any future agreement or instrument between the Corporation and the Secured Party, together with reasonable attorney's fees, costs and expenses incurred by the Secured Party in the enforcement of its rights under the Corporation's Obligation or this Agreement.
- 1.2 **"Obligor"** means the Corporation and the Borrower and, if any debt due to Secured Party hereunder is evidenced by a credit agreement, guaranty or other instrument, the makers and endorsers thereof.
- 1.3 **"Corporation"** means Recruitsoft Inc. with offices at 124, Beale Street, Suite 202, San Francisco, California.
- 1.4 **"Default Rate"** means that rate established in the Credit Agreement.
- 1.5 **"Advances"** shall mean the expenditure of money or incurring of obligations by the Borrower in connection with the Credit Agreement.
- 1.6 **"Uniform Commercial Code"** ("UCC") shall mean the Uniform Commercial Code of the State of California, except as such phrase is used in connection with the lien status of the security provided for herein which is not located in the State of California, in which case the same shall relate to the state in which the Collateral is located.
- 1.7 **"Consent of the Secured Party"** means the written consent by an Authorized Officer of the Secured Party.
- 1.8 **"Accounts"** means any "Account", as such term is defined in the UCC, now or hereafter owned by the Corporation, including, in any event, without limitation, any right of the

/3

Corporation to payment for goods sold or leased or for services rendered which the Corporation may now have or hereafter acquire, whether or not such right has been earned by performance, including, without limitation, all accounts, accounts receivable, book debts, instruments and chattel paper, Credit Agreement, drafts, acceptances, payments under leases of Equipment or sales of Inventory and other forms of obligations now or hereafter received by or belonging or owing to the Corporation for goods sold or leased and/or services rendered by it, and all of the Corporation's rights in, to and under all purchase orders, instruments, and other documents now or hereafter received by it evidencing obligations for and representing payment for goods sold or leased and/or services rendered, and all monies due or to become due to the Corporation under all contracts for the sale or lease of goods and/or the performance of services by it, now in existence or hereafter arising, including without limitation the right to receive the Proceeds of said purchase orders and contracts.

- 1.9 **“Contracts”** means all contracts, instruments, undertakings, chattel paper, documents or other agreements in or under which the Corporation may now or hereafter have any right, title or interest.
- 1.10 **“Equipment”** means any “equipment”, as such term is defined in the UCC now or hereafter owned by the Corporation and, in any event, including, without limitation, all machinery, equipment, furnishings, fixtures, and vehicles now or hereafter owned by the Corporation, including, without limitation, all items of machinery and equipment of any kind, nature and description whether affixed to real property or not, as well as trucks and vehicles of every description, trailers, handling and delivery equipment, fixtures and office furniture and any and all additions to, substitutions for and replacements of or accessions to any of the foregoing, wherever located, together with all attachments, components, parts (including spare parts), equipment and accessories installed thereon or affixed thereto and all fuel for any thereof.
- 1.11 **“General Intangibles”** means any “general intangibles”, as such term is defined in the UCC, now or hereafter owned by the Corporation and, in any event, including, without limitation, all customer lists, Trademarks, Patents, rights in intellectual property, licenses, permits and copyrights now or hereafter owned by the Corporation.
- 1.12 **“Inventory”** means any “inventory”, as such term is defined in the UCC, now or hereafter owned by the Corporation, including, without limitation, all inventory, wherever located, now owned or hereafter acquired by the Corporation or in which the Corporation now has or hereafter may acquire any right, title or interest, including, without limitation, all goods and other personal property now or hereafter owned by the Corporation which are held for sale or lease or are furnished or are to be furnished under a contract of service or which constitute raw materials, work in process or materials used or consumed or to

/4

be used or consumed in the Corporation's business, or in the processing, packaging or shipping of the same, and all finished goods.

- 1.13 **“Investment Property”** means any “investment property”, as such term is defined in the UCC, now or hereafter owned by the Corporation.
- 1.14 **“Proceeds”** means “Proceeds”, as such term is defined in the UCC and, in any event, including, without limitation, the following at any time whatsoever arising or receivable (i) whatever is received upon any collection, exchange, sale or other disposition of any of the Collateral, and any property into which any of the Collateral is converted, whether cash or non-cash proceeds, (ii) any and all proceeds of any insurance, indemnity, warranty or guarantee payable to the Corporation from time to time with respect to any of the Collateral, (iii) any and all payments (in any form whatsoever) made or due and payable to the Corporation from time to time in connection with any requisition, confiscation, condemnations, seizure or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau or agency (or any person, corporation, agency, authority or other entity acting under color of any governmental authority), (iv) any claim of the Corporation against third parties for past, present or future infringement of any Patent or breach of any Patent License or for past, present or future infringement or dilution of, any Trademark or for injury to the goodwill associated with any Trademark, or breach of any Trademark License and (v) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.
- 1.15 **“Patents”** mean (i) all letters patent of the United States or any other country, and all applications for letters patent of the United States or any other country, and (ii) all reissues, continuations, continuations-in-part or extensions thereof, in each case now or hereafter owned by the Corporation.
- 1.16 **“Patent License”** mean any written agreement, now or hereafter entered into by the Corporation, granting any right to practice any invention covered by a Patent.
- 1.17 **“Trademarks”** mean (i) all trademarks, trade names, corporate names, Corporation names, business names, fictitious business names, trade styles, service marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, and (ii) all reissues, extensions or renewals thereof, in each case now or hereafter owned by the Corporation.

/5

- 1.18 **“Trademark License”** mean any written agreement, now or hereafter entered into by the Corporation, granting any right to use any Trademark.

2. **LOANS**

- 2.1 **Loan.** The parties hereto acknowledge that funds have been and may hereafter be loaned by the Secured Party to the Borrower pursuant to the Credit Agreement. The parties further acknowledge that the Corporation's undertaking to enter into the Credit Agreement was a condition of the Secured Party's making Advances to the Borrower, is a condition of continuing said Advances of credit to the Borrower, and is a condition of future Advances of credit to the Borrower.
- 2.2 **Excess Loans.** In the event the Secured Party shall Advances to the Borrower an amount in excess of the face amount indicated in the Credit Agreement, or if the Corporation should directly or indirectly become indebted to the Secured Party in an amount which is in excess of the said amount, the indebtedness shall nevertheless be secured by the terms of this Security Agreement.
- 2.3 **Late Charge and Maturity Rate.** This Security Agreement shall also be deemed to secure Corporation's Obligation to make payments of any and all late charges set forth in the Credit Agreement.

3. **COLLATERAL**

- 3.1 **Collateral.** As collateral security for the prompt and complete payment and performance when due of all the Corporation's Obligations and in order to induce the Secured Party to enter into the Credit Agreement and make available the Credit Facility to the Borrower in accordance with the terms thereof, the Corporation hereby sells, assigns, conveys, mortgages, pledges, hypothecates and transfers to the Secured Party, a security interest in, all the Corporation's right, title and interest in, to and under the following (all of which being hereinafter collectively called the “Collateral”):
- (i) all Contracts;
 - (ii) all Accounts and General Intangibles in which the Corporation has any right, title or interest, including, without limitation, (A) all moneys due and to become due under any Contract, (B) any damages arising out of or for breach or default in respect of any such Contract or Account, (C) all other amounts from time to time paid or payable under or in connection with any such Contract or Account, (D) the right of the Corporation to

/ 6

terminate any such Contract or to perform and to exercise all remedies thereunder, and (E) each Patent, Patent License, Trademark and Trademark License;

(iii) all Equipment;

(iv) all Inventory;

(v) all Investment Property;

(vi) all other personal property of the Corporation whether tangible or intangible, or whether now or hereafter owned by the Corporation and wherever located, including, but not limited to, the balance of every deposit account, now or hereafter existing, of the Corporation with the Lenders and all moneys of the Corporation and all rights to payment of money of the Corporation; and

(vii) to the extent not otherwise included, all Proceeds and products of any or all of the foregoing.

3.2 **Continuing Perfection.** The Corporation will perform any and all steps requested by the Secured Party to create and maintain in the Secured Party's favor a first and valid lien on the Collateral or security interest in the Collateral or pledges of Collateral. Such steps include, without limitation, the execution, delivery, filing and recording of financing statements, notes and any other documents necessary, in the opinion of the Secured Party, necessary or advisable to secure payment of all Liabilities of any obligor to the Secured Party.

4. **REPRESENTATIONS, COVENANTS AND WARRANTIES**

To induce the Secured Party to enter into this Agreement (and to accept this Agreement in partial satisfaction of conditions to making Advances pursuant to the Credit Agreement), the Corporation, covenants and warrants to the Secured Party (and understands that the Secured Party shall rely thereon) as follows:

4.1 **Good Standing.** The Corporation is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is authorized to do business in all states or jurisdictions in which it does business. The Corporation is specifically duly authorized to do business in and is in good standing under the laws of the Commonwealth of Delaware.

4.2 **Corporate Authority.** The Corporation has the corporate power to execute, deliver and carry out this Agreement and all documents referred to herein and contemplated hereby.

/7

its board of directors (and, to the extent required by law, its stockholders) has duly authorized and approved the terms of the transactions described herein and the taking of any and all action contemplated herein by the Corporation and the consummation of the within transaction does not violate any provision of its articles of incorporation, its by-laws, or any agreement or undertaking to which the Corporation is a party or by which it is bound.

- 4.3 **Compliance with Law.** The execution of this Agreement or any instruments or documents supplemental or incidental hereto and performance by the Corporation of its obligations hereunder, does not, at the date of execution hereof, violate any existing law or regulation or any writ or decree of any court or governmental agency or the charter or by-laws of the Corporation or any agreement or undertaking to which it is a party or by which it is bound.
- 4.3.1 Hereafter the Corporation will conduct its business in the United States in full compliance with all applicable U. S. federal, state and municipal statutes or ordinances and regulations.
- 4.4 **No Litigation.** There are no judgments against the Corporation as of the date of this Agreement and no material litigation or administrative proceeding before any governmental body is presently pending now, or to the knowledge of Corporation, threatened, against the Corporation or any of its property.
- 4.5 **No Financial Change.** The Corporation has furnished the Secured Party with current financial statements. Such financial statements are complete and correct and have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods specified
- 4.5.1 The Corporation warrants that there has been no adverse change in the condition, financial or otherwise, of the Corporation, since the date on which the most recent financial statements of the Corporation were delivered to Secured Party.
- 4.5.2 The Corporation has made no investment in, Advances to, or guarantees of the obligations of any Corporation, individual or other entity except (i) those disclosed in the financial statements referred to above, and (ii) the guarantees subsequently simultaneously or hereafter given to the Secured Party.

/8

- 4.6 **Tax Compliance.** The Corporation has filed, or caused to be filed, all tax returns required to be filed and has paid all taxes shown to be due and payable on said return or on any assessment made against it.
- 4.7 **Good Title.** On the date of the Agreement, the Corporation has good and marketable title to the Collateral, none of the Collateral is subject to any pledge, lien, security interest, encumbrance, charge or title retention or other security agreement or arrangement of any character whatsoever, and the security interest granted by the Corporation to the Secured Party herein shall constitute valid and enforceable first liens on the Collateral.
- 4.8 **Place of Records.** The Corporation represents that the offices where it keeps its records concerning the Collateral are at its place of business located at 124, Beale Street, Suite 202, San Francisco, California. The Corporation will notify the Secured Party promptly in writing of any proposed change in location of the place referred to in this Paragraph, and will not effect such change without the prior written consent of the Secured Party.
- 4.9 **Financial Statements and Certificate of No Default.** The Financial Statements of the Corporation, in form satisfactory to Secured Party, are to be provided to Secured Party as set forth in the Credit Agreement.
- 4.10 **Insurance.** The Corporation agrees to maintain, with financially sound and reputable insurers of a Best rating of A+ or better, insurance with respect to its properties and business against such casualties and contingencies, of such types (including public liability, larceny, embezzlement or other criminal misappropriation insurance) and in such amount both acceptable to the Secured Party and as is customary in the case of corporations of established reputations engaged in the same or a similar business and similarly situated (but not less than, in the case of casualty insurance, the fair market value of the insured property or the full amount of the loan, whichever is higher). If the Corporation fails to take the action called for herein, the Secured Party may, after giving the Corporation oral or written notice of such failure and a reasonable time to correct same, in its discretion obtain insurance covering the Secured Party's interest in the Collateral and the amount of the premium for said insurance shall be added to the Liabilities of the Corporation to the Secured Party.
- 4.10.1 The Corporation will deliver the originals of all such policies (or certificates evidencing insurance if the policies are master policies) to the Secured Party, and not less than fifteen (15) days prior to the expiration date of each such policy, will deliver to the Secured Party a renewal policy or policies (or certificates evidencing insurance if the policies are master policies) marked "premium paid" or accompanied by other evidence of payment satisfactory to the Secured Party, all naming the Secured Party as loss payee.

/9

- 4.10.2 All policies shall require that no less than thirty (30) days' written notice of cancellation or material change will be given to the Secured Party. All cost of insurance shall be borne by the Corporation. Renewal policies, together with evidence of payment of premiums, shall be deposited with the Secured Party at least thirty (30) days before the expiration of the prior existing policies. All insurance is required commencing from the date hereof and is to be continued throughout the term of this Agreement. The Corporation shall not violate or permit to be violated any of the conditions of the policies or insurance required to be maintained hereunder.
- 4.10.3 Damage to, destruction, or loss of all or any portion of the Corporation's business which adversely affects the Collateral shall not terminate this Agreement or cause any abatement of or reduction in the payments to be made by the Corporation hereunder, or otherwise alter the obligations of the Corporation as set forth herein.
- 4.10.4 In the event of any loss or change in circumstances which would adversely affect Corporation's Collateral, the Corporation shall give immediate written notice to the Secured Party and shall perform all of its duties and obligations set forth in each such policy. The proceeds of any insurance policies covering such damage or destruction and shall be paid to the Secured Party, unless otherwise agreed to by the Secured Party. The Secured Party shall have the right to adjust losses with insurance companies and to settle or adjudicate claims.
- 4.11 **Payment of Expenses.** The Corporation shall pay any and all expenses, including reasonable counsel fees and disbursements, filing and recording fees, and all other charges and expenses of the Secured Party which may be required in connection with the negotiation and processing of the within Agreement and the perfection of the security interest created hereunder, the enforcement of the Credit Agreement and payment of all Liabilities arising with respect hereto.
- 4.12 **Inspection.** The Corporation will permit any person designated by the Secured Party to inspect any properties, corporate books and financial records of the Corporation and to discuss the business affairs and finances of the Corporation with its principal officers and/or its independent accountants, and/or to contact accounts receivable Corporations, all at such reasonable times as the Secured Party may request.
- 4.13 **Maintain Corporate Existence.** The Corporation shall maintain in good standing, its corporate existence and will not, without the prior written consent of the Secured Party, which consent will not be unreasonably withheld, dissolve or liquidate, nor merge or consolidate with or acquire or affiliate with any other business entity nor form any subsidiary.

/10

- 4.14 **Discharge of Taxes and Liens.** The Secured Party may, after giving to the Corporation oral or written notice, at its option, discharge any taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral and may pay for the maintenance of the Collateral and the Corporation will reimburse the Secured Party on demand for any payment made or any expense incurred by the Secured Party pursuant to the foregoing authority, with interest at the rate set forth in the Credit Agreement.
- 4.15 **Notice of Adverse Change.** The Corporation agrees to inform the Secured Party of any material adverse change in its business, including but not limited to: strikes by its labor force; fines in its plant; the bankruptcy of a large creditor; and filing of lawsuits naming the Corporation in amounts exceeding \$5,000.00.
- 4.16 **Negative Covenants.** So long as the Corporation is indebted to the Secured Party hereunder, the Corporation shall not, without the Consent of the Secured Party:
- 4.16.1 Become liable upon the obligations of any corporation, person or other entity except (i) to the Secured Party, or (ii) as now existing and disclosed in the financial statements previously delivered to the Secured Party.
- 4.16.2 Merge with and consolidate any of its business operations with another without notifying the Secured Party in writing and obtaining written Consent of the Secured Party which shall be reviewed within a reasonable amount of time after receipt of the information required to make a decision.
- 4.16.3 Sell or dispose of any asset or property other than in the ordinary course of business.
- 4.16.4 Pledge or grant any further security interest in the Collateral to any party other than the Secured Party, without the Secured Party's prior written permission.
- 4.16.5 Incur any indebtedness with any other bank or lending institution or private lender.
- 4.16.6 Make loans, Advances or extension of credit to any corporation, person or other entity except extensions of credit, on normal terms, in connection with the sale of products and services; and Advances to employees for business purposes if accounted for and repaid in a timely manner.
- 4.16.7 Change the principal nature of its business.

/11

4.16.8 Change its principal places of business or the place of business at which the Collateral is located.

5. EVENTS OF DEFAULT

The occurrence of any of the following shall constitute an event of default:

- 5.1 **Non-Performance.** Failure on the part of the Corporation to perform any term, covenant or condition contained in any agreement now existing or hereafter entered into with the Secured Party including, but not limited to the Credit Agreement or with any agreements between the Borrower and the Secured Party made with respect to the Loans.
- 5.2 **Misrepresentation.** Any representation or warranty made by the Corporation in this Agreement, or by any Corporation in any written report, certificate or other instrument in writing furnished in connection with the Credit Agreement or in connection with any instrument of security furnished to the Secured Party shall have proved to have been inaccurate in any substantial and material respect as of the date or dates with respect to which it is deemed to have been made.
- 5.3 **Other Security Interest.** The Corporation shall have failed, after oral or written notice from the Secured Party to the Corporation, to take any action requested by the Secured Party to perfect or protect the security interests provided for herein.
- 5.4 **Insolvency.** The Corporation shall have applied for or consented to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets; admitted in writing its inability to pay its debts as they mature; made a general assignment for the benefit of creditors; been adjudicated a bankrupt or insolvent; or filed a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any insolvency law, or an answer admitting the material allegations of a petition in any bankruptcy, reorganization or insolvency proceeding, or taken corporate action for the purposes of effecting any of the foregoing; or an order, judgment or decree shall have been entered, without the application, approval or consent of the Corporation by any court of competent jurisdiction approving a petition seeking reorganization of the Corporation, or appointing a receiver, trustee or liquidator of any Obligor, or of a substantial part of its assets and such order, judgment or decree shall have continued unstayed and in effect for any period of sixty (60) consecutive days; or a petition in bankruptcy shall have been filed against the Corporation and shall not have been dismissed for a period of sixty (60) consecutive days.
- 5.5 **Change in Management.** A substantial change in the present management of the Corporation, except to fill vacancies resulting from death or disability.

/12

- 5.6 **Judgment or Lien**. Entry of a judgment(s), issuance or any garnishment(s), attachment(s) or distraint(s) in excess of the aggregate sum of Five Thousand (\$5,000.00) Dollars, the filing of any lien or of any governmental attachment against any property of the Corporation which entry, issuance, attachment or filing shall have continued unstayed and in effect for a period of thirty (30) days.
- 5.7 **Non-Compliance with Laws**. Failure of the Corporation to comply with the terms and conditions of any lease covering the premises where the Collateral is located, or of any ordinances, laws or statutes of any city, state or other governmental department having jurisdiction with respect to such premises or the conduct of business thereon (or if the Corporation is contesting such failure, a final determination by a court of competent jurisdiction that such failure exists).
- 5.8 **Impairment of Responsibility**. Occurrence of any event which, in the reasonable opinion of the Secured Party, impairs the financial responsibility of the Corporation.
- 5.9 **Adverse Change**. The reasonable determination by the Secured Party that a material adverse change has occurred in the financial condition of the Corporation.
- 5.10 **Default under Other Security Interests - Borrowings or Obligations**. The Corporation is in default under any security agreement permitted by or given to the Secured Party covering any of the Collateral provided for herein or any other collateral owned by the Secured Party, which default is not cured within any permitted cure period.

6. **CONSEQUENCE OF EVENT OF DEFAULT**

In case any event of default shall have occurred and be continuing, then and in every such event of default, the Secured Party may take any or all of the following actions, at the same time or at different times:

- 6.1 **Acceleration**. Declare all Liabilities owing to the Secured Party from the Corporation under this Agreement and under the Credit Agreement issued in connection herewith to be forthwith due and payable, whereupon all such sums shall forthwith become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Corporation.

/13

- 6.1.1 The Secured Party shall have, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code (regardless of whether the Uniform Commercial Code is the law of the jurisdiction where the Collateral is located), including without limitation, the right to take possession of the Collateral, and for the purpose the Secured Party may, as far as the Corporation can give authority therefor, enter upon any premises on which Collateral may be situated and remove the same therefrom.
- 6.2 **Possession.** Proceed with or without judicial process to take possession of all or any part of the Collateral provided for herein not already in the possession of the Secured Party, and the Corporation agrees that upon receipt of notice of the Secured Party's intention to take possession of all or any part of said Collateral, the Corporation will do everything reasonably necessary to make same available to the Secured Party.
- 6.2.1 The Secured Party may require the Corporation upon ten (10) days notice to the Corporation to assemble the Collateral and proceeds and make them available to the Secured Party at a place to be designated by the Secured Party.
- 6.3 **Methods of Sale.** So long as the Secured Party acts in a commercially reasonable manner, the Secured Party may assign, transfer and deliver at any time or from time to time the whole or any portion of the Collateral or any rights or interest therein in accordance with the Uniform Commercial Code, and without limiting the scope of the Secured Party's rights thereunder, the Secured Party may sell the Collateral at public or private sale, or in other manner, at such price or prices as the Secured Party may deem best, and either for cash or credit, or for future delivery, at the option of the Secured Party, in bulk or in parcels and with or without having the Collateral at the sale or other disposition. In the event of a sale of the Collateral, Secured Party shall give the Corporation at least ten (10) days prior written notice of such sale, which notice the Corporation acknowledges is reasonable. In the event of a sale of the Collateral, or any other disposition thereof, the Secured Party shall apply all proceeds first to all Advances and all costs and expenses of disposition, including attorney's fees and then to the Liabilities of the Corporation to the Secured Party.
- 6.4 **Retention of Collateral.** Elect to retain the Collateral or any part thereof in satisfaction of all Liabilities due from the Corporation to Secured Party upon notice of such proposed election to the Corporation and any other party as may be required by the Uniform Commercial Code.
- 6.4.1 The Secured Party may at any time in its discretion transfer any securities or other property constituting collateral into its own name or that of its nominee and

/14

receive the income thereon and hold the same as security for liabilities or apply it to principal or interest due on liabilities.

- 6.5 **Set-Off.** Secured Party shall have the right immediately, and without notice or other action to set-off against any of the Corporation's Liabilities to the Secured Party any sum owed by the Secured Party in any capacity to the Corporation whether due or not, and Secured Party shall be deemed to have exercised such right of set-off and to have made a charge against any such sum immediately upon the occurrence of such event of default, even though the actual book entries may be made at some time subsequent thereto.
- 6.6 **Expenses and Attorney's Fees.** The Corporation shall pay to the Secured Party on demand any and all reasonable expenses, including reasonable counsel fees, incurred or paid by the Secured Party in protecting or enforcing its rights with respect to the Collateral. After deducting all of such expenses the residue of any proceeds of collection or sale of Liabilities or Collateral shall be applied to the payment of principal or interest on Liabilities in such order or preference as the Secured Party may determine, proper allowance for interest on Liabilities not then due being made, and any excess shall be returned to the Corporation and the Corporation shall remain liable for a deficiency.
- 6.7 **Interest.** The Corporation shall pay to the Secured Party from and after an event of default, interest on any Liabilities owed by the Corporation at the Default Rate until all such Liabilities are paid to the Secured Party.

7. **MISCELLANEOUS**

- 7.1 **No Waiver.** Corporation agrees that no delay on the part of the Secured Party in exercising any power or right hereunder shall operate as a waiver of any such power or right, preclude other or further exercise thereof, or the exercise of any other power or right. No waiver whatsoever shall be valid unless in writing signed by the Secured Party and then only to the extent set forth herein.
- 7.2 **Waiver of Notice.** Corporation waives presentment, dishonor and notice of dishonor, protest and notice of protest of all commercial papers at any time held by the Secured Party on which the Corporation is in any way liable.
- 7.3 **One Instrument.** The provisions of this Agreement will be in addition to those of the Credit Agreement or other evidence of Liability held by the Secured Party relating to this particular transaction, all of which shall be construed as one instrument.

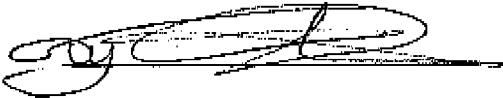
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- 7.4 **Choice of Law.** This Agreement and the rights of the parties hereto shall be governed by the laws of the State of California except to the extent that enforcement of lien claims are governed by the laws of the state where the Collateral is located.
- 7.5 **Successors or Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors and assigns.
- 7.6 **Rights Cumulative.** The rights and remedies herein expressed to be vested in or conferred upon the Secured Party shall be cumulative and shall be in addition to and not in substitution for or in derogation of the rights and remedies conferred upon secured creditors by the Uniform Commercial Code or any other applicable law.
- 7.7 **No Election of Remedies.** Nothing herein shall require the Secured Party to proceed first under this Agreement to satisfy any Liabilities of the Credit Agreement to the Secured Party and the Secured Party may proceed directly against the Corporation under the Credit Agreement or under the within Agreement, seriatim or simultaneously, as the Secured Party deems in its absolute discretion, and the taking of any one such action shall not constitute an election of remedies on its part.
- 7.8 **Notification of Disposition of Collateral.** Any notification of a sale or other disposition of the Collateral or of any other action by the Secured Party to the Corporation will be sufficient if given personally or mailed to the Corporation, by certified mail, at its address set forth herein not less than ten (10) days prior to the day on which such sales or other disposition will be made, and such notification shall be deemed reasonable notice.
- 7.9 **Titles.** The titles and headings indicated herein are inserted for convenience only and shall not be considered a part of this Agreement or in any way limit the construction or interpretation of this Agreement.
- 7.10 **English.** The parties hereto have expressly agreed that this agreement and all deeds, documents or notices relating thereto be executed in english. Les parties aux présentes ont expressément convenu que cet acte ou tout autre acte, document ou avis y afférent soient rédigés en anglais.

/16

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their proper and duly authorized officers as of the day and year first above written and the parties agree that they intend this Agreement to be executed and delivered as an instrument under seal.

Attest:

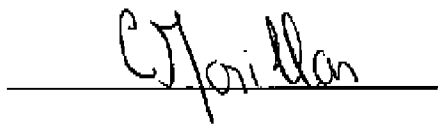


NATIONAL BANK OF CANADA

By:

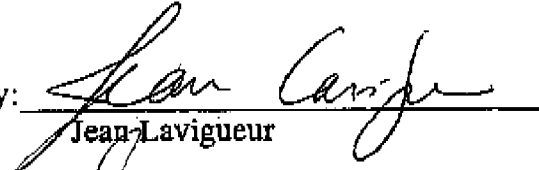

Alain Gauthier

Attest:

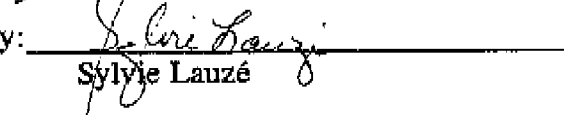


RECRUITSOFT INC.

By:


Jean Lavigueur

By:


Sylvie Lauzé