

Attorney Docket No. : 60335-009

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

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.


<p>1. Name of conveying party(ies): Millennium Technology Ventures, L.P.; and Draper Fisher Jurvetson Gotham Venture Fund, L.P.</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input checked="" type="checkbox"/> Limited Partnership <input type="checkbox"/> Corporation-State <input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies) Name: Millennium Technology Ventures, L.P. Internal as Collateral Agent Address: _____ Street Address: 350 Park Avenue City: New York State: NY Zip: 10022</p> <p><input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input checked="" type="checkbox"/> Limited Partnership _____ <input type="checkbox"/> Corporation-State _____ <input type="checkbox"/> Other _____</p> <p><small>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</small></p>
<p>3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____</p> <p>Execution Date: January 14, 2002</p>	

<p>4. Application number(s) or registration number(s): A. Trademark Application No.(s) 75/909,117; 75/892,257; 76/191,358; 76/191,437</p> <p style="text-align: right;">Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>B. Trademark Registration No.(s)</p>
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<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: Proskauer Rose LLP Internal Address: Patent Department _____ _____ Street Address: 1585 Broadway _____ City: New York State: NY Zip: 10036</p>	<p>6. Total number of applications and registrations involved: 4</p> <p>7. Total fee (37 CFR 3.41).....\$ 115.00 <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: 16-2500 <small>(Attach duplicate copy of this page if paying by deposit account)</small></p>
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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.

Gregg I. Goldman  **January 16, 2002**
Name of Person Signing Signature Date
Reg. No. 38,896

Total number of pages including cover sheet, attachments, and document: **31**

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

EXECUTION COPY**AMENDED AND RESTATED
SECURITY AGREEMENT**

This AMENDED AND RESTATED SECURITY AGREEMENT (this "**Agreement**") dated as of January 14, 2002, by and among Commerce Systems, Inc., a Delaware corporation (the "**Company**") and Millennium Technology Ventures, L.P. in its capacity as Collateral Agent for the Secured Parties referred to below (in such capacity, the "**Collateral Agent**").

WITNESSETH:

WHEREAS, Millennium Technology Ventures, L.P. ("**MTV**"), Draper Fisher Jurvetson Gotham Venture Fund LP ("**DFJGV**") and the Company are party to that certain Senior Secured Convertible Promissory Note Purchase Agreement dated as of May 16, 2001, as amended by the First Amendment to the Senior Secured Convertible Promissory Note Purchase Agreement dated as of the date hereof (as amended and as such agreement may be further amended, restated, refinanced, supplemented or otherwise modified from time to time, the "**May 2001 Note Purchase Agreement**"), providing for the purchase by MTV and DFJGV of senior secured convertible promissory notes in an aggregate principal amount of \$2,000,000 (as such notes may be amended, restated, refinanced, supplemented or otherwise modified from time to time the "**May 2001 Notes**");

WHEREAS, in connection with the May 2001 Note Purchase Agreement, the Company entered into a security agreement with MTV and DFJGV dated as of May 16, 2001 (the "**Original Security Agreement**") pursuant to which the Company granted to MTV and DFJGV a lien on and security interest in all of its tangible and intangible personal property;

WHEREAS, MTV, DFJGV and certain other purchasers (collectively, MTV, DFJGV and such other purchasers are sometimes individually referred to herein as a "**Secured Party**" and collectively as the "**Secured Parties**") and the Company are parties to that certain Senior Secured Convertible Promissory Note Purchase Agreement dated as of January 14, 2002 (as such agreement may be amended, restated, refinanced, supplemented or otherwise modified from time to time, the "**January 2002 Note Purchase Agreement**") providing for the purchase by the Secured Parties of senior secured convertible promissory notes of the Company in an aggregate principal amount not to exceed \$500,000 (as such notes may be amended, restated, refinanced, supplemented or otherwise modified from time to time the "**January 2002 Notes**");

WHEREAS, to induce the Secured Parties to enter into the January 2002 Note Purchase Agreement and to purchase the January 2002 Notes thereunder, the Company has agreed to grant to the Secured Parties a valid first lien on and perfected security interest in all of its tangible and intangible personal property;

WHEREAS, pursuant to the terms hereof MTV and DFJGV (i) have assigned the lien and security interest granted to them pursuant to the terms of the Original Security Agreement to MTV, as collateral agent and (ii) agreed to amend and restate in its entirety the Original Security Agreement as provided herein;

WHEREAS, concurrently with the execution and delivery of this Agreement, the Secured Parties and the Collateral Agent are entering into the Intercreditor Agreement dated as of date hereof (as such agreement may be amended, restated, supplemented or otherwise modified from time to time, the "**Intercreditor Agreement**") to (i) confirm the relative priority of the respective liens of the Secured Parties in the Collateral (as herein defined), (ii) provide for the orderly sharing among the Secured Parties, in accordance with such priorities, of the proceeds of the Collateral and (iii) appoint MTV to serve as the Collateral Agent for the benefit of the Secured Parties in accordance with the terms and provisions of the Intercreditor Agreement.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto, hereunder and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. **Definitions.** All terms not specifically defined herein which are defined in the Code (as defined herein) shall have the meanings as defined in the Code. In addition, as used herein:

"**Accounts**" means all "accounts," as such term is defined in the Code, now owned or hereafter acquired by the Company, including (a) all accounts receivable, other receivables, book debts and other forms of obligations (other than forms of obligations evidenced by Chattel Paper, or Instruments), (including any such obligations that may be characterized as an account or contract right under the Code), (b) all of the Company's rights in, to and under all purchase orders or receipts for goods or services, (c) all of the Company's rights to any goods represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation and stoppage in transit and rights to returned, reclaimed or repossessed goods), (d) all rights to payment due to the Company for property sold, leased, licensed, assigned or otherwise disposed of, for a policy of insurance issued or to be issued, for a secondary obligation incurred or to be incurred, for energy provided or to be provided, for the use or hire of a vessel under a charter or other contract, arising out of the use of a credit card or charge card, or for services rendered or to be rendered by the Company or in connection with any other transaction (whether or not yet earned by performance on the part of the Company), (e) all health care insurance receivables and (f) all collateral security of any kind, given by any Account Debtor or any other Person with respect to any of the foregoing.

"**Account Debtor**" means any Person who may become obligated to the Company under, with respect to, or on account of, an Account, Chattel paper or General Intangibles (including a payment intangible).

"**Business**" means the business from time to time, now or hereafter, conducted by the Company and its subsidiaries.

"Chattel Paper" means any "chattel paper," as such term is defined in the Code, including electronic chattel paper, now owned or hereafter acquired by the Company.

"Code" means the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in the State of New York; provided, that to the extent that the Code is used to define any term herein or in any Financing Agreement and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, the Collateral Agent's or any Secured Party's Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect from time to time in a jurisdiction other than the State of New York, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

"Collateral" has the meaning ascribed thereto in Section 3 hereof.

"Collateral Account" has the meaning ascribed thereto in the Intercreditor Agreement.

"Collateral Agent" has the meaning ascribed thereto in the Preamble of this Agreement.

"Contracts" means all contracts and agreements to which the Company is a party, as the same may be amended, supplemented or otherwise modified from time to time, including without limitation, (i) all rights of the Company to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of the Company to damages arising thereunder and (iii) all rights of the Company to perform and to exercise all remedies thereunder.

"Copyright Collateral" means all Copyrights, whether now owned or hereafter acquired by the Company, that are associated with the Business, including each Copyright identified in Annex 2 hereto.

"Copyrights" means all copyrights, copyright registrations and applications for copyright registrations, including, without limitation, all renewals and extensions thereof, the right to recover for all past, present and future infringements thereof, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

"Deposit Accounts" means all "deposit accounts" as such term is defined in the Code, now or hereafter held in the name of the Company.

"Documents" means all "documents", as such term is defined in the Code, now owned or hereafter acquired by the Company, wherever located.

"Equipment" means all "equipment," as such term is defined in the Code, now owned or hereafter acquired by the Company, wherever located and, in any event, including all

the Company's machinery and equipment, including processing equipment, conveyors, machine tools, data processing and computer equipment, including embedded software and peripheral equipment and all engineering, processing and manufacturing equipment, office machinery, furniture, materials handling equipment, tools, attachments, accessories, automotive equipment, trailers, trucks, forklifts, molds, dies, stamps, motor vehicles, rolling stock and other equipment of every kind and nature, trade fixtures and fixtures not forming a part of real property, together with all additions and accessions thereto, replacements therefor, all parts therefor, all substitutes for any of the foregoing, fuel therefor, and all manuals, drawings, instructions, warranties and rights with respect thereto, and all products and proceeds thereof and condemnation awards and insurance proceeds with respect thereto.

"Event of Default" means an "Event of Default" as defined in any of the Financing Agreements.

"Financing Agreements" means the May 2001 Note Purchase Agreement, the May 2001 Notes, the January 2002 Note Purchase Agreement, the January 2002 Notes, this Agreement, the Intercreditor Agreement and any other agreements, instruments or documents entered into in connection with any of the foregoing agreements or any of the Secured Obligations as the same may be amended, restated, refinanced, supplemented or otherwise modified from time to time.

"Fixtures" means all "fixtures" as such term is defined in the Code, now owned or hereafter acquired by the Company.

"General Intangibles" means all "general intangibles," as such term is defined in the Code, now owned or hereafter acquired by the Company, including all right, title and interest that the Company may now or hereafter have in or under any Contract, all payment intangibles, Intellectual Property (including the goodwill associated with any Trademark Collateral), all rights and claims in or under insurance policies (including insurance for fire, damage, loss and casualty, whether covering personal property, real property, tangible rights or intangible rights, all liability, life, key man and business interruption insurance, and all unearned premiums), uncertificated securities, choses in action, deposit, checking and other bank accounts, rights to receive tax refunds and other payments, rights to receive dividends, distributions, cash, Instruments and other property in respect of or in exchange for pledged capital stock or other equity interest or security (regardless of how designated) and Investment Property, rights of indemnification, all books and records, correspondence, credit files, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of the Company or any computer bureau or service company from time to time acting for the Company.

"Goods" means all "goods" as defined in the Code, now owned or hereafter acquired by the Company, wherever located, including embedded software to the extent included in "goods" as defined in the Code, manufactured homes, standing timber that is cut and removed for sale and unborn young of animals.

"Instruments" means all "instruments," as such term is defined in the Code, now owned or hereafter acquired by the Company, wherever located, and, in any event, including all

certificated securities, all certificates of deposit, and all promissory notes and other evidences of indebtedness, other than instruments that constitute, or are a part of a group of writings that constitute, Chattel Paper.

"Intellectual Property" means, collectively, all Software, Copyright Collateral, all Patent Collateral and all Trademark Collateral, together with (a) all inventions, processes, production methods, proprietary information, know-how and trade secrets used or useful in the Business; (b) all licenses or user or other agreements granted to the Company with respect to any of the foregoing, in each case whether now or hereafter owned or used including, without limitation, the licenses or other agreements with respect to the Copyright Collateral, the Patent Collateral or the Trademark Collateral listed in Annex 5 hereto; (c) all information, customer lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials standards, processing standards, performance standards, catalogs, computer and automatic machinery software and programs, and the like pertaining to the operation by the Company of the Business; (d) all field repair data, sales data and other information relating to sales or service of products now or hereafter manufactured and which pertain to the Business; (e) all accounting information which pertains to the Business and all media in which or on which any of the information or knowledge or data or records which pertain to the Business may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data; (f) all licenses, consents, permits, variances, certifications and approvals of governmental agencies now or hereafter held by the Company pertaining to the operation by the Company and its Subsidiaries of the Business; and (g) all causes of action, claims and warranties now or hereafter owned or acquired by the Company in respect of any of the items listed above.

"Intercreditor Agreement" has the meaning ascribed thereto in the recitals to this Agreement.

"Inventory" means all "inventory" as such term is defined in the Code, now owned or hereafter acquired by the Company, wherever located, and in any event including inventory, merchandise, goods and other personal property that are held by or on behalf of the Company for sale or lease or are furnished or are to be furnished under a contract of service, or that constitute raw materials, work in process, finished goods returned goods, or materials or supplies of any kind, nature or description used or consumed or to be used or consumed in the Business or in the processing, production, packaging, promotion, delivery or shipping of the same, including other supplies and embedded software.

"Investment Property" means all "investment property" as such term is defined in the Code now owned or hereafter acquired by the Company, wherever located including (i) all securities, whether certificated or uncertificated, including stocks, bonds, interests in limited liability companies, partnership interests, treasuries, certificates of deposit, and mutual fund shares; (ii) all securities entitlements of the Company, including the rights of the Company to any securities account and the financial assets held by a securities intermediary in such securities account and any free credit balance or other money owing by any securities intermediary with respect to that account, (iii) all securities accounts of the Company; (iv) all commodity contracts of the Company and (v) all commodity accounts held by the Company.

"January 2002 Note Purchase Agreement" has the meaning ascribed thereto in the recitals to this Agreement.

"January 2002 Notes" has the meaning ascribed thereto in the recitals to this Agreement.

"January 2002 Obligations" means all obligations of every nature of the Company, from time to time owned to the Secured Parties under the January 2002 Notes and the January 2002 Note Purchase Agreement.

"Letter of Credit Rights" means "letter of credit rights" as such term is defined in the Code, now owned or hereafter acquired by the Company, including rights to payment or performance under a letter of credit, whether or not the Company, as beneficiary, has demanded or is entitled to demand payment or performance.

"Lien" means any mortgage, pledge, security interest, lien, claim, encumbrance or other similar restrictions, of any kind or nature whatsoever.

"May 2001 Note Purchase Agreement" has the meaning ascribed thereto in the recitals to this Agreement.

"May 2001 Notes" has the meaning ascribed thereto in the recitals to this Agreement.

"May 2001 Obligations" means all obligations of every nature of the Company, from time to time owned to any Secured Party under the May 2001 Notes and the May 2001 Note Purchase Agreement.

"Original Security Agreement" has the meaning ascribed thereto in the recitals to this Agreement.

"Patent Collateral" means all Patents, whether now owned or hereafter acquired by the Company, that are associated with the Business, including each Patent identified in Annex 3 hereto.

"Patents" means all patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein together with the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, the right to sue for past, present and future infringements thereof, and all rights corresponding thereto throughout the world.

"Person" means a natural person, corporation, business trust, unincorporated association, company, partnership, limited liability company, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Permitted Liens" means (a) Liens for taxes and assessments or governmental charges or levies not at the time due or in respect of which the validity thereof shall currently be contested in good faith by appropriate proceedings conducted with due diligence and adequate reserves with respect thereto are maintained on the books of the Company in accordance with GAAP (and no Lien shall be imposed to secure payment of such amount that is superior to any Lien securing the Secured Obligations except to the extent proscribed by applicable law) and such contest operates to suspend collection or enforcement of such contested amount; (b) Liens in respect of pledges or deposits under workers' compensation laws or similar legislation, carriers', warehousemen's and inchoate and unperfected mechanics' laborers' and materialmen's and similar Liens, if the obligations secured by such Liens are not then delinquent or are being contested in good faith by appropriate proceedings conducted with due diligence and for the payment of which the Company has furnished adequate security; (c) statutory Liens incidental to the conduct of the business of the Company or any Subsidiary which were not incurred in connection with the borrowing of money or obtaining of advances or credits and which do not in the aggregate materially detract from the value of its property or materially impair the use thereof in the operation of the Business; and (d) to the extent expressly permitted under the Purchase Agreement, purchase money liens or security interests securing the cost of acquisition of assets subject to such Liens or security interest.

"Proceeds" means "proceeds," as such term is defined in the Code, including (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Company from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to the Company from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any Person acting under color of governmental authority), (c) any claim of the Company against third parties (i) for past, present or future infringement of any Patent Collateral, or (ii) for past, present or future infringement or dilution of any Copyright, Collateral, Trademark Collateral, or for injury to the goodwill associated with any Trademark Collateral, (d) any recoveries by the Company against third parties with respect to any litigation or dispute concerning any of the Collateral including claims arising out of the loss or nonconformity of, interference with the use of, defects in, or infringement of rights in, or damage to, Collateral, (e) all amounts collected on, or distributed on account of, other Collateral, including dividends, interest, distributions and Instruments with respect to Investment Property and pledged Stock, and (f) any and all other amounts, rights to payment or other property acquired upon the sale, lease, license, exchange or other disposition of Collateral and all rights arising out of Collateral.

"Secured Obligations" means the May 2001 Obligations, the January 2002 Obligations and any other amounts payable by the Company under this Agreement or any other Financing Agreement

"Secured Parties" has the meaning ascribed thereto in the preamble of this Agreement.

"Software" means all "software" as such term is defined in the Code, now owned or hereafter acquired by the Company, other than software embedded in any category of goods,

including all computer programs and all supporting information provided in connection with a transaction related to any program.

"Subsidiary" means any corporation, partnership, limited liability company, joint venture, association or other business entity at least 50% of the outstanding voting stock or voting interests of which is at the time owned or controlled, directly or indirectly, by the Company or by one or more of such Subsidiary entities or both.

"Supporting Obligation" means all supporting obligations as such term is defined in the Code, including letters of credit and guaranties issued in support of Accounts, Chattel Paper, Documents, General Intangibles, Instruments, or Investment Property.

"Trademark Collateral" means all Trademarks, whether now owned or hereafter acquired by the Company, that are associated with the Business, including each Trademark identified in Annex 4 hereto. Notwithstanding the foregoing, the Trademark Collateral does not and shall not include any Trademark, which would be rendered invalid, abandoned, void or unenforceable by reason of its being included as part of the Trademark Collateral.

"Trademarks" means all trade names, trademarks and service marks, logos, trademark and service mark registrations, and applications for trademark and service mark registrations, including, without limitation, all renewals of trademark and service mark registrations, all rights corresponding thereto throughout the world, the right to recover for all past, present and future infringements thereof, all other rights of any kind whatsoever accruing thereunder or pertaining thereto, together, in each case, with the product lines and goodwill of the business connected with the use of, and symbolized by, each such trade name, trademark and service mark.

Section 2. Representations and Warranties. The Company represents and warrants to the Collateral Agent and the Secured Parties that:

(a) the Company owns or possesses the right to use each item of Collateral and no Lien exists or will exist upon any Collateral at any time other than Permitted Liens and except for the security interest in favor of the Collateral Agent created or provided for herein which security interest constitutes a first priority perfected security interest in and to all of the Collateral (other than with respect to Intellectual Property registered or otherwise located outside of the United States of America) and has full power and authority to grant to the Collateral Agent the security interest in such Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person other than any consent or approval which has been obtained and is in full force and effect;

(b) All of the Equipment, Fixtures and Inventory of the Company is located on the premises or at the other locations listed on Annex 1 hereto, which contains the address of the Company's owned premises and leased premises, together, in the case of the leased premises, the name of the landlord thereof and the date of the lease or other agreement or instrument and all amendments thereof and supplements thereto, pursuant to which the Company has the right to occupy the same. Annex 1 hereto sets forth the names and addresses of all Persons other

than the Company who have possession of Collateral. The Company's name as it appears in official filings in the state of its incorporation or other organization, the type of entity of the Company (including corporation, partnership, limited partnership or limited liability company), organizational identification number issued by the Company's state of incorporation or organization or a statement that no such number has been issued, the Company's state of organization or incorporation, the location of the Company's chief executive office, principal place of business and the locations of its books and records concerning the Collateral are set forth on Annex I hereto. The Company has only one state of incorporation or organization.

(c) Annexes 2, 3 and 4 hereto, respectively, set forth a complete and correct list of all registered or issued (or pending), as the case may be, Copyrights, Patents and Trademarks owned by the Company on the date hereof; except pursuant to licenses and other user agreements entered into by the Company in the ordinary course of business, which are listed in Annex 5 hereto, the Company owns and possesses the right to use, and has done nothing to authorize or enable any other Person to use, any Copyright, Patent or Trademark listed in said Annexes 2, 3 and 4, and all registrations listed in said Annexes 2, 3 and 4 are valid and in full force and effect; except as may be set forth in said Annex 5, the Company owns and possesses the right to use all Copyrights, Patents and Trademarks, necessary for the operation of the Business;

(d) Annex 5 hereto sets forth a complete and correct list of all material licenses and other user agreements included in the Intellectual Property on the date hereof;

(e) (i) except as set forth in Annex 5 hereto, to the Company's knowledge there is no violation by others of any right of the Company with respect to any Copyright, Patent or Trademark listed in Annexes 2, 3 and 4 hereto, respectively, and (ii) to the Company's knowledge the Company is not, in connection with the Business, infringing in any respect upon any United States, registered or issued, (as the case may be) copyright, patent or trademark of any other Person in the United States; and no proceedings have been instituted or are pending against the Company or, to the Company's knowledge, threatened, and no claim against the Company has been received by the Company, alleging any such violation, except as may be set forth in said Annex 5;

(f) any Goods now or hereafter produced by the Company included in the Collateral have been and will be produced in compliance with the requirements of the Fair Labor Standards Act, as amended; and

(g) no amount payable to the Company under or in connection with any Collateral is evidenced by any Supporting Obligation that has not been delivered, duly endorsed to the Collateral Agent; the amounts represented by the Company to the Collateral Agent owing to the Company in respect of the Accounts are, accurate; no consent of any party (other than the Company) to any contract, agreement, document or instrument evidencing or creating an Account is required, or purports to be required, in connection with the execution, delivery and performance of this Agreement; each Contract is in full force and effect and constitutes a valid and legally enforceability obligation of the parties thereto (assuming the due execution and delivery by such party), subject to the effects of bankruptcy, insolvency, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally; neither the Company

nor, to the Company's knowledge, any of the other parties to the Contracts to which the Company is a party is in default in the performance or observance of any of the terms thereof; the right, title and interest of the Company in, to and under each of the material Contracts to which the Company is party are not subject to any defenses, offsets, counterclaims; and none of the parties to any Contract is a governmental authority.

Section 3. Amendment and Restatement; Grant of Security Interest.

(a) This Agreement amends and restates the Original Security Agreement in its entirety and the security interests granted by the Company thereunder shall be deemed to be granted and continued hereunder. The Company hereby confirms and ratifies the security interests granted to MTV and DFJGV under the Original Security Agreement.

(b) Each of MTV and DFJGV hereby assigns to the Collateral Agent all of their respective right, title and interest to the security interests granted to them in accordance with the terms of the Original Security Agreement and the Collateral Agent agrees to assume all of their respective obligations under the Original Security Agreement.

(c) As collateral security for the prompt payment and performance in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, the Company hereby pledges and grants to the Collateral Agent, for its benefit and for the benefit of the Secured Parties, a first priority security interest in all of the Company's right, title and interest in the following property, whether now owned by the Company or hereafter acquired and whether now existing or hereafter coming into existence, and wherever located (all being collectively referred to herein as "**Collateral**"):

- (i) all Accounts;
- (ii) all Chattel Paper;
- (iii) all Documents;
- (iv) all Intellectual Property;
- (v) all General Intangibles (including all payment intangibles);
- (vi) all Goods (including Inventory, Equipment and Fixtures);
- (vii) all Instruments;
- (viii) all Investment Property;
- (ix) all Deposit Accounts and all money, cash or cash equivalents of the
- (x) all Supporting Obligations and Letter of Credit Rights of the Company;

Company;

and

(xi) to the extent not otherwise included, all Proceeds, tort claims, insurance claims and other rights to payments not otherwise included in the foregoing and products of the foregoing and all accessions to, substitutions and replacements for, and rents and profits of, each of the foregoing.

(d) Notwithstanding the foregoing, the term "Collateral" shall not include,

(i) any General Intangibles to the extent that (but only to the extent that) such general intangibles are not assignable or capable of being encumbered as a matter of law or under the terms of the license applicable thereto (but solely to the extent that any such restriction is enforceable under applicable law), without the consent of the licensor thereof or other applicable party thereto and such consent has not been obtained; and

(ii) any property, rights or licenses to the extent the granting of a security interest therein (x) would be contrary to applicable law or (y) is prohibited by under any agreement or document governing such property, rights or licenses (but only to the extent such prohibition is enforceable under applicable law).

Section 4. Further Assurances; Covenants; Remedies. In furtherance of the grant of the security interest pursuant to Section 3 hereof, the Company hereby agrees with the Collateral Agent:

4.01 Delivery and Other Perfection. The Company shall:

(a) deliver and pledge to the Collateral Agent any and all negotiable Documents, certificated securities, Chattel Paper and Instruments, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Collateral Agent may request; provided, that so long as no Event of Default shall have occurred and be continuing, the Company may retain for collection in the ordinary course any Supporting Obligation received by it in the ordinary course of business and the Collateral Agent shall, promptly upon request of the Company, make appropriate arrangements for making any other Supporting Obligation pledged by the Company available to it for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate by the Collateral Agent, against trust receipt or like document);

(b) give, execute, deliver, file and/or record any financing statement, notice, instrument, document, agreement or other papers that may be necessary or desirable (in the judgment of the Investors) to create, preserve, perfect or validate any security interest granted pursuant hereto or to enable the Collateral Agent to exercise and enforce its rights hereunder with respect to such security interest, provided that notices to Account Debtors in respect of any Accounts or Instruments shall be subject to the provisions of clause (h) below;

(c) upon the acquisition after the date hereof by the Company of any Equipment covered by a certificate of title or ownership, cause the Collateral Agent to be listed as the lienholders on such certificate of title and within 120 days of the acquisition thereof deliver evidence of the same to the Investors; provided, however, if the Equipment is subject to a

purchase money security interest, the Collateral Agent shall be listed as junior lienholders to the Person holding such purchase money security interest;

(d) keep full and accurate books and records relating to the Collateral, and stamp or otherwise mark such books and records in such manner as the Collateral Agent may reasonably require in order to reflect the security interests granted by this Agreement;

(e) furnish to the Collateral Agent from time to time (but, unless an Event of Default shall have occurred and be continuing, no more frequently than quarterly) statements and schedules further identifying and describing the Copyright Collateral, the Patent Collateral and the Trademark Collateral, respectively, and such other reports in connection with the Copyright Collateral, the Patent Collateral and the Trademark Collateral, as the Collateral Agent may reasonably request, all in reasonable detail;

(f) promptly upon request of the Collateral Agent, following receipt by the Collateral Agent of any statements, schedules or reports pursuant to clause (e) above, modify this Agreement by amending Annexes 2, 3 and 4 hereto, as the case may be, to include any Copyright, Patent or Trademark which becomes part of the Collateral under this Agreement;

(g) notify promptly the Collateral Agent in writing of any change (i) in its corporate name or in any trade name used to identify it in the conduct of its business or in the ownership of its properties, (ii) in the location of its chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (iii) in its identity or corporate structure or (iv) in its Federal Taxpayer Identification Number, if any. The Company agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Code or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected first priority security interest in all the Collateral. The Company agrees promptly to notify the Collateral Agent if any material portion of the Collateral owned or held by the Company is damaged or destroyed;

(h) permit representatives of the Collateral Agent or the Secured Parties, upon reasonable notice, at any time during normal business hours to inspect and make abstracts from its books and records pertaining to the Collateral, and permit representatives of the Collateral Agent to be present at the Company's place of business to receive copies of all communications and remittances relating to the Collateral, and forward copies of any notices or communications by the Company with respect to the Collateral, all in such manner as the Collateral Agent may require;

(i) promptly, and in any event within two (2) days after becoming a beneficiary of a letter of credit, notify the Collateral Agent thereof and within ten (10) business days after becoming a beneficiary of a letter of credit enter into an agreement with the Collateral Agent and the issuer and/or confirmation bank with respect to Letter of Credit Rights assigning such Letter of Credit Rights to the Collateral Agent and directing all payments thereunder to the Collateral Account, all in form and substance reasonably satisfactory to the Collateral Agent;

(j) grant any extension of the time of payment of any of Account, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any Person liable for the payment thereof or allow any credit or discount whatsoever thereon, other than extensions, credits, discounts, compromises or settlements granted or made in the ordinary course of business and consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which the Company is engaged;

(k) upon the occurrence and during the continuance of any Event of Default, upon request of the Investors, promptly notify (and the Company hereby authorizes the Collateral Agent so to notify) each Account Debtor in respect of any Accounts or Instruments that such Collateral has been assigned to the Collateral Agent hereunder, and that any payments due or to become due in respect of such Collateral are to be made directly to the Collateral Agent;

(l) observe and perform all conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Collateral, all in accordance with the terms and conditions thereof, and the Company agrees to indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability for such performance;

(m) promptly, and in any event within two (2) days after the same is acquired by it, notify the Collateral Agent of any commercial tort claim (as defined in the Code) acquired by it and unless otherwise consented by the Collateral Agent, the Company shall enter into a supplement to this Agreement, granting to the Collateral Agent a Lien in such commercial tort claim; and

(n) take any and all commercially reasonable actions necessary to defend title to the Collateral against all persons and to defend the security interest of the Collateral Agent in the Collateral and the priority and perfection thereof against any Lien, other than Permitted Liens and the Liens granted hereunder.

4.02 Financing Statements and Other Liens.

(a) The Company hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any filing office in any Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as all assets of the Company or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Code or such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (b) contain any other information required by part 5 of Article 9 of the Code for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether the Company is an organization, the type of organization and any organization identification number issued to the Company, and (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. The Company agrees to furnish any such information to the Collateral Agent promptly upon request. The Company also ratifies its authorization for the Collateral Agent

and Secured Parties to have filed in any Code jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

(b) The Company acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement without the prior written consent of the Collateral Agent and agrees that it will not do so without the prior written consent of the Collateral Agent, subject to the Company's rights under Section 9-509(d)(2) of the Code.

(c) Without the prior written consent of the Collateral Agent, the Company shall not file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which the Collateral Agent is not named as the sole secured parties for the benefit of the secured parties, except with respect to Permitted Liens.

(d) Prior to or concurrently with the execution and delivery of this Agreement, the Company shall file such financing statements and other documents in such offices as the Collateral Agent may request to perfect the security interests granted by Section 3 of this Agreement.

4.03 Preservation of Rights; Insurance.

(a) The Collateral Agent shall not be required to take steps necessary to preserve any rights against prior parties to any of the Collateral.

(b) The Company shall, at its own expense, at all times maintain with financially sound insurers, insurance with respect to its Goods against loss or damage of the kind and in amounts customarily insured against by corporations of established reputation engaged in the same or similar business and similarly situated. The Company shall, within 10 days of the date hereof cause each policy to (i) name the Company and the Collateral Agent as insured parties thereunder (without any representation or warranty by or obligation upon the Collateral Agent) as their interests may appear, (ii) contain an agreement by the insurer that any loss thereunder shall be payable to the Collateral Agent notwithstanding any action, inaction or breach of representation or warranty by the Company, (iii) have attached thereto the Lender's Loss Payable Endorsement or its equivalent, or a Loss Payable clause reasonably acceptable to the Collateral Agent, (iv) provide that there shall be no recourse against the Collateral Agent for payment of premiums or other amounts with respect thereto and (v) provide that at least 10 days' prior written notice of cancellation, material amendment, reduction in scope or limits or coverage or of lapse shall be given to the Collateral Agent, by the insurer. The Company shall, if so requested by the Collateral Agent, deliver to the Collateral Agent a certificate of such insurance and, as often as the Collateral Agent may reasonably request, but not more often than once every six months, a report of a reputable insurance broker with respect to such insurance.

(c) Upon (i) the occurrence and during the continuance of any Event of Default, or (ii) the actual or constructive total loss of all Inventory of the Company, all insurance payments in respect of such Inventory shall be paid to and applied by the Collateral Agent as specified in Section 4.10 hereof. No approval by the Collateral Agent of any insurer shall be construed to

be a representation, certification or warranty of its solvency and no approval by the Collateral Agent as to the amount, type and/or form of any Insurance shall be construed to be a representation, certification or warranty of its sufficiency.

4.04 Special Provisions Relating to Certain Collateral.

(a) Intellectual Property.

(1) For the purpose of enabling the Collateral Agent to exercise its rights and remedies hereunder at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies hereunder, and for no other purpose, the Company hereby grants to the Collateral Agent, upon the occurrence of an Event of Default and for so long as the Collateral Agent are lawfully entitled to exercise rights and remedies hereunder in connection therewith, to the extent assignable and not prohibited by applicable law or existing licenses to the extent such restriction is enforceable as a matter of law, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Company) to use, assign, license or sublicense any of the Intellectual Property (other than the Trademark Collateral or goodwill associated therewith) now owned or hereafter acquired by the Company, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

(2) Notwithstanding anything contained herein to the contrary, but subject to the provisions of any Financing Agreement which limits the right of the Company to dispose of its property, so long as no Event of Default shall have occurred and be continuing, the Company will be permitted to exploit, use, enjoy, protect, license, sublicense, assign, sell, dispose of or take other actions with respect to the Intellectual Property in the ordinary course of the business of the Company. In furtherance of the foregoing, unless an Event of Default shall have occurred and is continuing the Collateral Agent shall from time to time, upon the request of the Company, execute and deliver any instruments, certificates or other documents, in the form so requested, which the Company shall have certified are appropriate (in its judgment) to allow it to take any action permitted above (including relinquishment of the license provided pursuant to clause (1) immediately above as to any specific Intellectual Property). Further, upon the payment in full of all of the Secured Obligations or earlier expiration of this Agreement or release of the Collateral the license granted pursuant to clause (1) immediately above shall terminate and, the Collateral Agent shall, at the sole cost and expense of the Company, take all such actions, and execute and file all such documents, as are reasonably requested by the Company to terminate such license and evidence such termination.

4.05 No Reincorporation. Without limiting the prohibitions on mergers involving the Company in any Financing Agreement, the Company shall not reincorporate or reorganize itself under the laws of any jurisdiction other than the jurisdiction in which it is incorporated or organized as of the date hereof without the prior written consent of the Collateral Agent.

4.06 Events of Default, etc. During the period during which an Event of Default shall have occurred and be continuing:

(i) the Company shall, at the request of the Collateral Agent, assemble the Collateral owned by it at such place or places, reasonably convenient to both the Collateral Agent and the Company, designated in its request;

(ii) the Collateral Agent may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, any of the Collateral;

(iii) the Collateral Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the Code (whether or not said Code is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including, without limitation, the right, to the maximum extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Collateral Agent were the sole and absolute owner thereof (and the Company agrees to take all such action as may be appropriate to give effect to such right);

(iv) the Collateral Agent in its discretion may, in its name or in the name of the Company or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so; and

(v) the Collateral Agent may, upon 15 business days' prior written notice to the Company of the time and place, with respect to the Collateral or any part thereof which shall then be or shall thereafter come into the possession, custody or control of the Collateral Agent or any of its respective agents, sell, lease, assign, license or otherwise dispose of all or any of such Collateral, at such place or places as the Collateral Agent deems best, and for cash or on credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of time or place thereof (except such notice as is required above or by applicable statute and cannot be waived) and the Collateral Agent or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale), and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of the Company, any such demand, notice or right and equity being hereby expressly waived and released. In the event of any sale, assignment, or other disposition of any of the Trademark Collateral, the goodwill of the Business connected with and symbolized by the Trademark Collateral subject to such disposition shall be included, and the Company shall supply to the Collateral Agent or their respective designees, for inclusion in such sale, assignment or other disposition, all Intellectual Property relating to such Trademark Collateral. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned. To the maximum extent permitted by applicable law, the Company waives all claims, damages, and demands against the Collateral Agent arising out of the repossession, retention or sale of the Collateral except to the extent such as arise solely out of the gross negligence or willful misconduct of the Collateral Agent as finally

determined by a court of competent jurisdiction. The Company agrees that 15 business days prior notice by the Collateral Agent of the time and place of any public sale or of the time after which a private sale may take place is reasonable notification of such matters.

(vi) To the extent that applicable law imposes duties on the Collateral Agent to exercise remedies in a commercially reasonable manner, the Company acknowledges and agrees that it is not commercially unreasonable for the Collateral Agent (i) to fail to incur expenses reasonably deemed significant by the Collateral Agent to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against Account Debtors or other Persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral, (iv) to exercise collection remedies against Account Debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other Persons, whether or not in the same business as the Company, for expressions of interest in acquiring all or any portion of such Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure the Collateral Agent against risks of loss, collection or disposition of Collateral or to provide to the Collateral Agent a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent deemed appropriate by the Collateral Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Collateral Agent in the collection or disposition of any of the Collateral. The Company acknowledges that the purpose of this Section 4.06(vi) is to provide non-exhaustive indications of what actions or omissions by the Collateral Agent would not be commercially unreasonable in the Collateral Agent's exercise of remedies against the Collateral and that other actions or omissions by the Collateral Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 4.06(vi). Without limitation upon the foregoing, nothing contained in this Section 4.06(vi) shall be construed to grant any rights to the Company or to impose any duties on the Collateral Agent that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 4.06(vi).

(vii) The Collateral Agent shall be required to make any demand upon, or pursue or exhaust any of their rights or remedies against, the Company, any other obligor, guarantor, pledgor or any other Person with respect to the payment of the Secured Obligations or to pursue or exhaust any of their rights or remedies with respect to any Collateral therefor or any direct or indirect guarantee thereof. The Collateral Agent shall be required to marshal the Collateral or any guarantee of the Secured Obligations or to resort to the Collateral or any such guarantee in any particular order, and all of its and their rights hereunder or under any other

Financing Agreement shall be cumulative. To the extent it may lawfully do so, the Company absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Collateral Agent or any Secured Party, any valuation, stay, appraisal, extension, redemption or similar laws and any and all rights or defenses it may have as a surety now or hereafter existing which, but for this provision, might be applicable to the sale of any Collateral made under the judgment, order or decree of any court, or privately under the power of sale conferred by this Agreement, or otherwise.

4.07 Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral pursuant to the terms of this Agreement are insufficient to cover the costs and expenses of such realization and the payment in full of the Secured Obligations, the Company shall remain liable for any deficiency.

4.08 Removals, etc. Without at least 30 days' prior written notice to the Collateral Agent, the Company shall not (i) maintain any of its books or records with respect to the Collateral at any office or maintain its chief executive office or its principal place of business at any place, or permit any Inventory or Equipment to be located anywhere other than its chief executive office or its principal place of business or (ii) change its corporate name, or the name under which it does business, from the name shown on the signature page hereto.

4.09 Private Sale. The Collateral Agent shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale pursuant to the terms of this Agreement conducted in a commercially reasonable manner. The Company hereby waives any claims against the Collateral Agent arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Collateral Agent accept the first offer received and do not offer the Collateral to more than one offeree.

4.10 Application of Proceeds. All proceeds received by the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral in accordance with this Agreement shall be disturbed by the Collateral Agent to the Secured Parties for application to the Secured Obligations at the time and in the order of priority set forth in Section 5.2 of the Intercreditor Agreement; provided, however, that nothing contained in this Agreement shall give the Company any right, benefit or interest under the Intercreditor Agreement.

4.11 Collateral Agent. The Secured Parties have appointed the Collateral Agent as the collateral Agent pursuant to the Intercreditor Agreement. The Collateral Agent shall be entitled to the benefits of the Intercreditor Agreement. Pursuant to such appointment, the Collateral Agent shall be obligated and shall have the right, hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action (including, without limitation, the release or substitute of Collateral) solely in accordance with this Agreement and the Intercreditor Agreement. The Collateral Agent may resign and a successor to the Collateral Agent may be appointed in the manner provided in the Intercreditor Agreement. Upon the acceptance of any appointment as a Collateral Agent by a successor to Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested

with all the rights, powers, privileges and duties of the retiring Collateral Agent under this Agreement, and the retiring Collateral Agent shall thereupon be discharged from its duties and obligations under this Agreement and shall deliver any Collateral in its possession to the successor Collateral Agent. After the retiring Collateral Agent's resignation, the provisions of this Agreement shall inure to its benefit as to any actions take or omitted to be taken by it under this Agreement while it was the Collateral Agent.

4.12 Attorney-in-Fact. Without limiting any rights or powers granted by this Agreement to the Collateral Agent while no Event of Default has occurred and is continuing, upon the occurrence and during the continuance of any Event of Default, the Collateral Agent, on behalf of the Secured Parties, is hereby appointed the attorney-in-fact of the Company for the purpose of carrying out the provisions of this Section 4 and taking any action and executing any instruments which the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Collateral Agent shall be entitled under this Section 4 to make collections in respect of the Collateral, the Collateral Agent shall have the right and power to receive, endorse and collect all checks made payable to the order of the Company representing any dividend, payment, or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

4.13 Termination. When all Secured Obligations shall have been paid in full, this Agreement shall terminate, and the Collateral Agent, at the sole cost and expense of the Company, shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the Company and to be released and cancelled all licenses and rights granted to them hereunder. Upon such termination, the Collateral Agent shall also execute and deliver, at the Company's sole cost and expense, such documents and instruments as the Company shall reasonably request to evidence such termination.

4.14 Indemnity and Expenses.

(a) The Company agrees to indemnify the Collateral Agent from and against any and all claims, losses and liabilities arising out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting from the Collateral Agent's gross negligence or willful misconduct.

(b) The Company agrees to pay to the Collateral Agent all out-of-pocket expenses (including reasonable expenses for legal services of every kind) of, or incident to, the enforcement of any of the provisions of this Section 4, or performance by the Collateral Agent of any obligations of the Company in respect of the Collateral which the Company has failed or refused to perform, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of any of the Collateral, and for the care of the Collateral and defending or asserting rights and claims of the Collateral Agent in respect thereof, by litigation or otherwise, including expenses of insurance, and all such expenses shall be Secured Obligations to the Collateral Agent secured under Section 3 hereof.

4.15 Further Assurances. The Company agrees that, from time to time upon the written request of the Investors, the Company will execute and deliver such further documents and do such other acts and things as the Collateral Agent may reasonably request in order fully to effect the purposes of this Agreement.

Section 5. Miscellaneous.

5.01 Security Interest Absolute.

All rights of the Collateral Agent and security interests hereunder, and all obligations of the Company hereunder, shall be absolute and unconditional, irrespective of:

- (i) any lack of validity of enforceability of any of the other Financing Agreements;
- (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations or any other amendment or waiver of or consent to any departure from any of the terms of any of the Financing Agreements;
- (iii) any exchange or release of or non-perfection of any Lien in any other collateral; or
- (iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of the Company or a third party grantor of a security interest.

Without limiting the generality of the foregoing, the Company hereby consents to, and hereby agrees that the rights of the Collateral Agent and the security interests which may be granted hereunder, and the obligations of the Company hereunder, shall not be affected by, any and all releases of any Collateral from the liens and security interests created by any Collateral Documents, whether for purposes of sales or other dispositions of assets pursuant to this Agreement or the other Financing Agreements or for some other purpose, except to the extent expressly provided in such releases.

5.02 No Waiver. No failure on the part of the Collateral Agent or any of their respective agents to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Collateral Agent or any of their respective agents of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

5.03 Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York, without regard to its rules for conflicts of laws.

5.04 Consent to Jurisdiction; Waiver of Jury Trial. The parties hereby irrevocably consent to the nonexclusive jurisdiction of the Supreme Court of the State of New

York and the United States District Court of the Southern District of New York and waive trial by jury in any action or proceeding with respect to this agreement.

5.05 Notices. All notices and other communications provided for hereunder shall be in writing and given or made in the manner set forth in the Purchase Agreement.

5.06 Waivers, etc. The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by the Company and the Investors. Any such amendment or waiver shall be binding upon the Investors, each holder of any Secured Obligation and the Company.

5.07 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Company, the Collateral Agent and each holder of the Secured Obligations (provided, however, that the Company shall not assign or transfer its rights hereunder without the prior written consent of the Investors).

5.08 Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

5.09 Agents. The Collateral Agent may employ agents and attorneys-in-fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith.

5.10 Headings. Section and subsection headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement or be given any substantive effect.

5.11 Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Collateral Agent in order to carry out the intentions of the parties hereto as nearly as may be possible and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

5.12 Entire Agreement. This Agreement and the Intercreditor Agreement is intended by the parties as a final expression of their agreement with respect to the subject matters covered hereby and thereby and is intended as a complete statement of the terms and conditions of their agreement.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Security Agreement to be duly executed as of the day and year first above written.

The Company: COMMERCE SYSTEMS, INC.

By: [Signature]
Name:
Title:

The Collateral Agent: MILLENNIUM TECHNOLOGY VENTURES, LP.

By: Millennium Technology Ventures
Advisors, LLC, its General Partner

By: _____
Name:
Title:

For purposes of Section 3(a) and (b) only:

MILLENNIUM TECHNOLOGY VENTURES, L.P.

By: Millennium Technology Ventures Advisors, LLC,
its General Partner

By: _____
Name:
Title:

DRAPER FISHER JURVETSON GOTHAM
VENTURE FUND, L.P.

By: Draper Fisher Jurvetson Gotham Partners, LLC,
its General Partner

By: _____
Name:
Title:

SIGNATURE PAGE TO AMENDED AND RESTATED SECURITY AGREEMENT


IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Security Agreement to be duly executed as of the day and year first above written.

The Company: **COMMERCE SYSTEMS, INC.**

By: _____
Name:
Title:

The Collateral Agent: **MILLENNIUM TECHNOLOGY VENTURES, LP.**

By: Millennium Technology Ventures
Advisors, LLC, its General Partner

By: 
Name: RONALD M. STARR
Title: MANAGING MEMBER

For purposes of Section 3(a) and (b) only:

MILLENNIUM TECHNOLOGY VENTURES, L.P.

By: Millennium Technology Ventures Advisors, LLC,
its General Partner

By: 
Name: RONALD M. STARR
Title: MANAGING MEMBER

**DRAPER FISHER JURVETSON GOTHAM
VENTURE FUND, L.P.**

By: Draper Fisher Jurvetson Gotham Partners, LLC,
its General Partner

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Security Agreement to be duly executed as of the day and year first above written.

The Company: **COMMERCE SYSTEMS, INC.**

By: _____
Name:
Title:

The Collateral Agent: **MILLENNIUM TECHNOLOGY VENTURES, L.P.**

By: Millennium Technology Ventures
Advisors, LLC, its General Partner

By: _____
Name:
Title:

For purposes of Section 3(a) and (b) only:

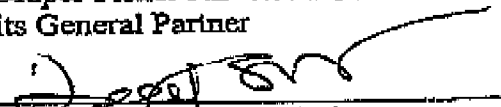
MILLENNIUM TECHNOLOGY VENTURES, L.P.

By: Millennium Technology Ventures Advisors, LLC,
its General Partner

By: _____
Name:
Title:

**DRAPER FISHER JURVETSON GOTHAM
VENTURE FUND, L.P.**

By: Draper Fisher Jurvetson Gotham Partners, LLC,
its General Partner

By: 
Name: Daniel J. Schultz
Title: Managing Partner

ANNEX 1

SCHEDULE OF OFFICES, LOCATIONS OF COLLATERAL
AND RECORDS CONCERNING COLLATERAL

1. The Company's official name: Commerce Systems, Inc.
2. Type of entity (e.g., corporation, partnership, business trust, limited partnership, limited liability company)

Corporation

3. Organizational identification number issued by the Company's state of incorporation or organization or a statement that no such number has been issued:

3218147

4. State of Incorporation or Organization: Delaware
5. Chief Executive Office and principal place of business:

103 Hurley Avenue
Kingston, NY 12401

6. Corporate Offices:

103 Hurley Avenue
Kingston, NY 12401

7. Warehouses:

8. Other Premises at which Collateral is Stored or Located:

Other than the two (2) store systems used in the field tests conducted in North Carolina, all of the equipment is located at:

103 Hurley Avenue
Kingston, NY 12401

The store systems used in the field tests conducted in North Carolina are located at:

Taco Bell
Holly Park Mall
3010 Wake Forest Road
Raleigh, NC 27609

KFC/Taco Bell
5340 Six Forks Road
Raleigh, NC 27609

Locations of Records Concerning Collateral:

103 Hurley Avenue
Kingston, NY 12401

ANNEX 2

**LIST OF COPYRIGHTS, COPYRIGHT REGISTRATIONS AND
APPLICATIONS FOR COPYRIGHT REGISTRATIONS**

None.

ANNEX 3

LIST OF PATENTS AND PATENT APPLICATIONS

File(Title)	Patent	Country	Registration/ App. Ser. No.	Date
System And Method For Qualifying A Patron In a Electronic Commerce System	Pending	United States	App. Ser. No. 09/303,962	Filed May 3, 1999
Apparatus And Method To Communicate With Multiple Systems Using a Single Transmitter	Pending	United States	App. Ser. No. 09/326,267	Filed June 7, 1999
Apparatus And Method To Transpose User Information	Pending	United States	App. Ser. No. 09/372,267	Filed August 11, 1999
System And Method For Consumer Identification Using Optical and Electronic Means	Pending	United States	Application Serial Number 09/048,094. This application claims priority to provisional App. Ser. No. 60/202,012 filed on May 4, 2000, Pending	Filed May 3, 2001
System And Method For Wide-Band Transmission To A Dual-Band Device	Pending	United States	App. Ser. No. 09/996,540	November 29, 2000
Automatic Payment Type Selection for Cash Payment System	Pending	United States	Provisional App. Ser. No. 60/297,564	Filed June 12, 2001

ANNEX 4

LIST OF TRADE NAMES, TRADEMARKS, SERVICES MARKS,
TRADEMARK AND SERVICE MARK REGISTRATIONS AND
APPLICATIONS FOR TRADEMARK AND SERVICE MARK REGISTRATIONS

U.S. Trademarks

Mark	Application (A) Registration (R) Or Series No. (S)	Registration or Filing Date
BEAMING CUSTOMER EXPERIENCES	A75/909,117	February 4, 2000
2SCOOT	A75/892,257	January 10, 2000
2SCOOT (added classes)	A76/191,358	January 8, 2001
BUY ON THE FLY	A76/191,437	January 8, 2001

Foreign Trademarks

Mark	Application (A) Registration (R)	Country	Registration or Filing Date (F)
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NONE

ANNEX 5

LIST OF CONTRACTS, LICENSES AND OTHER AGREEMENTS

Software	# Lic.
AIX 4.3.3	1
CodeWright	2
Fuji Film Exit Viewer	1
Gold Mine (+1 database engine - S1)	4
Gold Sync	1
Lotus Smart Suite	3
MS Project 2000	1
MS Publisher	1
MSDN Professional Subscription	1
Norton Antivirus	4
Office 2000 Premium	1
Office 2000 Professional	1
Office 2000 Small Business	1
Office 2000 Standard	1
Palm Desktop	1
Partition Magic 5.0	1
Partition Magic 6.0	1
PC Anywhere, v 9.2, v 10.0	4
QuickBooks Pro 2000 (5 User)	1
Visio 2000 Professional	1
Visio 2000 Standard	1
Visio 2000 Technical	1
Visual C++ Prof.	1
Windows 2000 Professional	1
Windows 98	13
Windows NT4.0 workstation	6
WinZip	2

Project Support Services Agreement by and between the Company and IBM dated August 31, 2000, as modified by a Work Change Authorization between the parties dated March 20, 2001 and November 15, 2001

License Agreement by and between the Company and ParTech, Inc. dated September 21, 2000