

03-06-2002



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

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DEPARTMENT OF COMMERCE
Patent and Trademark Office

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

1. Name of conveying party(ies):
INTEGRISOFT, INC., a California corporation

Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State
 Other _____

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

2. Name and address of receiving party(ies)
Name: CLAY STREET CAPITAL, INC.
Internal Address: Attn: William J. Neverett
Street Address: 550 Montgomery Street, Ste 200
City: San Francisco State: CA Zip: 94111

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State California
 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: 03/01/1997

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s) _____

 Additional number(s) attached Yes No

B. Trademark Registration No.(s) 2253654;
2313951; 2313952; 2346278; 2397694

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Jeffrey B. Kirschenbaum, Esq.
 Internal Address: Berg & Parker LLP

 Street Address: Berg & Parker LLP
4 Embarcadero Center, Suite 1400
 City: San Francisco State: CA Zip: 94111

6. Total number of applications and registrations involved: **5**

7. Total fee (37 CFR 3.41).....\$ 140.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:
N/A FC 3 14 2002

DO NOT USE THIS SPACE

9. Signature.
Jeffrey B. Kirschenbaum January 15, 2002
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: **4**

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

03/05/2002 6TOM11 00000221 2253654

01 FC:481 40.00 DP
02 FC:482 100.00 DP

TRADEMARK
REEL: 002453 FRAME: 0908

SECURITY AGREEMENT

This Security Agreement ("Security Agreement") is dated as of _____, 1997, by and between Honjo USA, Ltd. a California corporation (including its successors and assigns, "Secured Party") on the one hand, and IntegriSoft, Inc., a California corporation ("Debtor"), on the other hand.

RECITALS

A. Concurrently herewith, Debtor is executing and delivering to Secured Party that certain promissory note, payable to the order of Secured Party (the "Note"), pursuant to which Debtor is unconditionally obligated to pay to Secured Party the principal amount of \$654,357.

B. As security for Debtor's obligations under the Note, Debtor has agreed to grant Secured Party a security interest in the Collateral as defined below.

NOW, THEREFORE, in consideration of the covenants and promises of the parties hereto, Debtor and Secured Party hereby agree as follows:

1. **Defined Terms.** The following terms shall have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

(a) "**Collateral**" shall have the meaning assigned to such term in Paragraph 2 of this Security Agreement.

(b) "**Proceeds**" means "proceeds," as such term is defined in Article 9 of the UCC and, in any event, shall include, without limitation, (a) any and all accounts, chattel paper, instruments, cash or other proceeds payable to Debtor from time to time in respect of the Collateral, (b) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to Debtor from time to time with respect to any of the Collateral, (c) any and all payments (in any form whatsoever) made or due and payable to Debtor 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 body, authority, bureau or agency, and (d) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

(c) "**UCC**" means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of California; **provided, however**, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of Secured Party's security interest in any collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of California, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection of priority and for purposes of definitions related to such provisions.

2. Grant of Security Interest. This Security Agreement shall constitute a security agreement, pursuant to the terms of which, and pursuant to the provisions of the UCC, Debtor does hereby grant to Secured Party, and Secured Party does hereby accept, a security interest (the "Security Interest") in all of the right, title and interest which Debtor has, or may hereafter have, in the following property, and all Proceeds of the following (together with any and all other security which may hereafter be given by Debtor to Secured party pursuant to the terms of this Security Agreement, sometimes referred to hereinafter collectively as the "Collateral"), as collateral security for payment to Secured Party, in lawful currency of the United States of America, of all amounts due from Debtor under the Note, this Security Agreement, and any other documents executed in connection with the Agreement (collectively, together with the Note and this Security Agreement, the "Agreement Documents") and performance by Debtor of all of its other obligations under the Agreement Documents:

(a) All accounts, deposit accounts, contract rights, chattel paper, instruments, general intangibles and rights to payment of every kind now existing or hereafter arising, including without limitation (i) any such property which arises from the sale of any inventory or other goods or assets at any time in connection with the Debtor's businesses; (ii) any such property which consists of an interest in, or a right to payment from, any partnership or joint venture; (iii) any interest in any decedent's or other estate or trust; (iv) any insurance payment, premium, refund or other proceeds; (v) any tax refund; (vi) any personal property royalties, brokerage fees, finder's fees, license fees, management fees or other contract payments for services or the use of personal property; and (vii) all claims, judgments, awards, causes of action and legal actions and proceedings of every kind or nature, including those arising in connection with any damage to or conversion of any Collateral;

(b) All licenses, franchises, guaranties, warranties, management agreements, marketing or sales agreements, escrow contracts, indemnity agreements, service agreements, maintenance agreements, insurance policies covering any real or personal property or Collateral, and other general intangibles, agreements and contracts of every kind in which the Debtor now has, or at any time hereafter, shall have an interest;

(c) All tools machinery, furniture, fixtures and equipment of every kind now existing or hereafter acquired (whether for business, farm or other purposes), all appliances and parts therefor, and all additions and accessions thereto, whether located on the Debtor's property, at the Debtor's places of business, or elsewhere;

(d) All motor vehicles, trailers, mobile homes, boats, other rolling stock and related equipment of every kind now existing or hereafter acquired and all additions and accessories thereto, whether located at the Debtor's places of business or elsewhere;

(e) All inventory, goods held for sale, for lease or for use, parts, raw materials, work in process and materials used or consumed in any of the Debtor's businesses, whether now owned or hereafter acquired, and all products thereof, whether in the possession of the Debtor, any warehousemen, any bailee or any other person;

(f) All warehouse and other receipts, bills of sale, bills of lading and other documents of every kind (whether or not negotiable) in which the Debtor now has or at any time hereafter acquires any interest, and all additions and accessions thereto, including without limiting the generality of the foregoing, all bills of lading concerning any Collateral and all warehouse and other receipts concerning any Collateral which are in the possession or custody of any bailee or other person for any purpose;

(g) All money and personal property heretofore, now or hereafter delivered to or deposited with Secured Party or otherwise coming into the possession, custody or control of Secured Party (or any agent or bailee for Secured Party) in any manner or for any purpose whatever, whether held in a general or special account or deposit or for safe keeping or other wise, including but not limited to any cash collateral accounts that may have been created;

(h) All instruments, letters of credit, certificates of deposit, and securities (whether certificated or uncertificated) now existing or hereafter acquired, together with any payments, stock rights, rights to subscribe, liquidating dividends, stock dividends, dividends paid in stock, or other property which the Debtor is or may hereafter become entitled to receive on account of such instruments, securities or other property;

(i) All copyrights, trademarks, good will, patents, and confidential or proprietary information, trade secrets, discoveries, inventions, know-how, proprietary arts, and secret, novel or original ideas, applications, combinations, processes, general intangibles and technology now existing or hereafter arising, together with all models, samples, drawings, sketches, plans, photographs and written, computerized or printed studies, analyses, reports, books, records, applications, documents or other materials relating thereto;

(j) All other goods and personal property in which the Debtor now has or at any time hereafter shall have any interest, including without limitation all books and records, books of accounts, computer inventory, billing or other programs, tapes or disks, and other information available in any tangible form; and

(k) Any and all proceeds and products from the aforementioned Collateral (and any proceeds of any proceeds and any products of any products) and all additions or accessories to now existing or hereafter arising.

3. Representations and Warranties. Debtor hereby represents and warrants to Secured Party as of the date hereof that:

(a) Debtor has full power and authority to enter into this Security Agreement, and doing so does not violate the terms of any agreement, instrument or document to which Debtor or any affiliate of Debtor is a party;

(b) All statements by Debtor contained herein and in the document(s) evidencing or constituting part of the Collateral are true;

(c) Debtor is not involved in any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation proceedings, and no such proceeding is contemplated or threatened;

(d) This Agreement has been duly and validly executed and delivered by Debtor and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as: (i) the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, marshaling, moratorium and other similar laws of general application affecting the rights and remedies of creditors and secured parties and the obligations of debtors; and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability.

4. Affirmative Covenants. Debtor hereby covenants and agrees to and with Secured Party that Debtor shall:

(a) pay Secured Party all amounts payable under the Note as and when the same shall become due and payable (whether at maturity, by acceleration, or otherwise); and

(b) perform all other obligations for which the Security Interest has been granted; and

(c) properly execute and deliver to Secured Party any documents necessary for Secured Party to perfect the Security Interest granted hereunder, including, but not limited to, financing statements.

5. Negative Covenants. Debtor hereby covenants and agrees that following the date hereof, and for so long as any indebtedness remains outstanding under the Note, Debtor shall not, without the prior written consent of Secured Party:

(a) furnish Secured Party with any certificate or other document that contains any untrue statement of material fact or that, taken together with all other information furnished, will omit to state a material fact necessary to make it not misleading in light of the circumstances under which it was furnished; or

(b) take any action that materially and adversely affects, or would materially and adversely affect Secured Party's interests hereunder or Debtor's ability to perform its obligations pursuant to the Note and this Agreement.

6. Default. At the option of Secured Party, after five (5) business days prior written notice and opportunity to cure during such five (5) business day period, and without the need for any form of further notice to, demand of, consent from, or approval by Debtor (or anyone else), Secured Party may declare Debtor to be in default under this Security Agreement upon the happening of any of the following events (each of which shall be an "Event of Default"):

(a) failure by Debtor to perform any of the material obligations under this Security Agreement or any of the other Agreement Documents before the expiration of the grace period, if any, applicable thereto;

(b) failure by Debtor to make any payment (whether of principal, interest or otherwise) which is due under the Note or this Security Agreement;

(c) the levy of any attachment, execution or other process against Debtor, or against any of the Collateral, which is not dismissed or stayed within thirty (30) days after the filing of such attachment, execution or other process; provided, however, that Debtor shall not be required to pay and discharge any such levy so long as (i) the legality or validity thereof shall be promptly and actively contested in good faith and by appropriate proceedings and (ii) Debtor maintains, or obtains a ready source for provision of, reserves adequate to pay any contested liabilities;

(d) the filing of any involuntary petition in bankruptcy against Debtor, which petition remains undischarged for a period of ninety (90) days after the date of such filing, or the filing of any voluntary petition in bankruptcy or other petition seeking any reorganization, arrangement, compensation, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation.

7. **Remedies.** Upon the occurrence of any Event of Default, Secured Party, at its option, may declare all or any part of the indebtedness of Debtor to Secured Party which is secured by the Security Interest to be immediately due and payable, irrespective of any agreement to the contrary as to maturity, and Secured Party shall also have all of the rights and remedies provided herein and in the Agreement, as well as those of a secured party under the UCC. All rights and remedies provided herein or in any other applicable security or other agreement shall, to the fullest extent permitted by law, be cumulative.

Prior to any sale or other disposition of the Collateral (or any part thereof), however, Secured Party shall give such notice (whether to Debtor or otherwise) regarding such sale or other disposition as may be required under the UCC, but shall not otherwise be required to give or obtain any form of notice to, demand of, consent from, or approval by Debtor (or any other person or entity).

The proceeds of any sale or other disposition of the Collateral shall be applied: (A) first, to the reasonable expenses of retaking, holding, preparing for sale (or other disposition) and selling (or otherwise disposing of) the Collateral, in the manner authorized in this Security Agreement, including (but not limited to) the reasonable attorneys' fees and court costs, if any, incurred by Secured Party in so doing (whether at the trial, appellate or administrative levels); (B) then, to any and all indebtedness of Debtor to Secured Party which is secured by the Security Interest; and (C) the surplus, if any, shall be delivered to the parties entitled thereto pursuant to the terms of the UCC and the Agreement. Secured Party may buy the Collateral at any private or public sale. Any such sale (whether public or private) may be conducted by an auctioneer, or by an officer, attorney or agent of Secured Party.

8. Waiver of Rights. Debtor hereby waives any right to require Secured Party to: (a) proceed first against, or exhaust, any particular part of the Collateral; or (b) pursue any other particular remedy which may be available to Secured Party; and also waives any defense arising by reason of any disability of Debtor (or any other person or entity), or by reason of the cessation (from any cause whatsoever) of liability of Debtor (or any other person or entity). Until all amounts due under the Note and/or this Security Agreement have been paid in full, Debtor shall have no right of subrogation to the rights of any person or entity in connection with the Note or this Security Agreement.

9. Transfer of Security Interest. Secured Party may at any time and from time to time transfer to any other person or entity all or any part of the Security Interest. Secured Party may assign its rights as the secured party hereunder to any persons or entities, in Secured Party's discretion, and upon five (5) business days written notice to Debtor, but without any requirement for consent or approval by or from Debtor, and any such assignment shall be valid and binding upon Debtor, as fully as if it had expressly approved the same.

10. Successors. All of the terms, covenants and conditions of this Security Agreement shall be binding upon, and shall inure to the benefit of, the respective heirs, executors, administrators, successors and permitted assigns of the parties hereto.

11. Continuing Agreement. This Security Agreement is a continuing security agreement, and all of the rights, powers and remedies of Secured Party hereunder shall, despite the bankruptcy of Debtor, or any other event or proceeding affecting Debtor, apply.

12. Cumulative Rights. The rights, powers and remedies given to Secured Party pursuant to this Security Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any applicable governmental law, ordinance, rule, regulation or requirement. No forbearance, failure or delay by Secured Party in exercising any right, power or remedy granted to Secured Party hereunder shall be deemed a waiver of such right, power or remedy, nor shall any such forbearance, failure or delay preclude the further exercise of such right, power or remedy, or any other right, power or remedy; and every such right, power and remedy of Secured Party shall continue in full force and effect until such right, power or remedy is specifically waived by Secured Party in writing.

13. Termination of Security Interest. At such time as all amounts due from Debtor to Secured Party (whether under the Note or this Security Agreement or any documents entered into in connection with any of the foregoing), the repayment of which is secured by the Security Interest, have been paid in full, Secured Party shall terminate and release the Security Interest granted hereby and terminate the UCC-1 Financing Statement executed in conjunction herewith, without any warranties of any kind whatsoever, upon request by Debtor to do so.

14. Entire Agreement. The terms of this Security Agreement are intended by the parties hereto as a final expression of their agreement with respect to the subject matter hereof, and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Security Agreement constitutes the complete and exclusive statement of its

20. Modification of Agreement. This Security Agreement may not be modified, amended or otherwise changed in any manner, except by a written amendment executed by all of the parties hereto, or their respective successors or assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement effective as of the date first above written.

SECURED PARTY:

HONJO USA, LTD.

By William J. Beverett
Name William J. Beverett
Title President

DEBTOR:

INTEGRISOFT, INC.

By Alan Zhang
Name ALAN ZHANG
Title Secretary

Clay Street Capital, Inc.
550 Montgomery Street Suite #200
San Francisco, CA 94111
Tel. (415) 732-7480 Fax. (415) 732-7483

January 14, 2002

Tony Cardoso
IntegriSoft, Inc.
3150 Almaden Expressway Suite #150
San Jose, CA 95118

Via Fax: (408) 256-8802

Re: Amendment to Promissory Note Dated March 1, 1997/\$654,357

Dear Tony:

The Promissory Note dated March 1, 1997 in the original amount of \$654,357 having a balance at December 31, 2001 of \$596,046 is due on the earlier of (i) March 1, 2002; (ii) the sale or transfer by Borrower of all assets; (iii) any sale or transfer by Borrower of shares of its stock which causes existing shareholders at the time of such sale or transfer to own less than 60% of the total outstanding shares of stock after such sale or transfer; or (iv) any merger of Borrower with another corporation after which Borrower is not the surviving corporation.

Based on the foregoing, the Promissory Note and underlying Security Agreement will be amended to reflect a due date of March 1, 2003 with all other terms remaining the same.

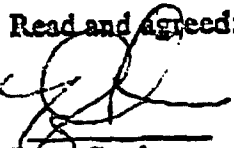
Also, please note that the Lender's name on the note is also changed to Clay Street Capital, Inc.

Please sign below giving your authorization.

Sincerely,


William J. Neverett

Read and agreed:


Tony Cardoso
Treasurer
Date: 1/17/02

File C:\Pnl14

PROMISSORY NOTE

\$654,357

March 1, 1997
San Francisco, CA

FOR VALUE RECEIVED, IntegriSoft, Inc., a California corporation ("**Borrower**"), promises to pay to the order of Honjo U.S.A., Ltd. ("**Lender**"), or order, in lawful money of the United States, the principal sum of SIX HUNDRED FIFTY-FOUR THOUSAND THREE HUNDRED AND FIFTY-SEVEN DOLLARS (\$654,357). All sums payable hereunder shall be payable to Lender at its office in San Francisco, California, or at such other place or places as may from time to time be designated by Lender.

1. INTEREST RATE. This promissory note ("**Note**") shall bear interest on the unpaid balance due hereunder at a fixed annual rate of three percent (3%) per annum, on the basis of a 365-day year.

2. PAYMENT SCHEDULE. Borrower shall pay Lender monthly payments of principal, due on the first day of each month commencing April 1, 1997, in the amount of \$2,000, plus 4% of Borrower's monthly gross revenues, subject to the following:

(a) Notwithstanding any provision contained herein to the contrary, any unpaid balance owed under this Note shall be due and payable in full, together with any accrued interest hereon, upon the earlier of (i) March 1, 2002; (ii) the sale or transfer by Borrower of all or substantially all of its assets; (iii) any sale or transfer by Borrower of shares of its stock which causes existing shareholders at the time of such sale or transfer to own less than 60% of the total outstanding shares of stock after such sale or transfer; or (iv) any merger of Borrower with another corporation after which Borrower is not the surviving corporation.

(b) At the beginning of any month during the term of this Note, if Borrower has insufficient cash funds to pay in full (i) the monthly compensation owed to Borrower's Board members Allan Liang and Tony Cardoso and (ii) the monthly payment of \$2,000 plus 4% of gross revenues owed to Lender hereunder, then the foregoing debts shall be paid proportionately from the available cash funds based on the respective amounts owed to Allan Liang, Tony Cardoso and Lender.

(c) In addition to the monthly payments required hereinabove, Borrower shall pay Lender, on a monthly basis, 50% of the Net Cash Flow available to Borrower after completion of the payments set forth in paragraph 9 of the Letter Agreement, dated August 1, 1997, between IntegriSoft, Inc., Honjo U.S.A., Ltd. and Ryoichi Honjo ("Letter Agreement"). "Net Cash

Flow" shall mean all cash derived from operations of the Borrower during any given accounting period (including interest on cash reserves), without reduction for any non-cash charges, but less cash used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, capital improvements, and replacements as reasonably determined by Borrower, subject to the terms and conditions of the Letter Agreement.

3. SECURITY. The obligations of Borrower hereunder are secured pursuant to a Security Agreement dated as of _____, 1997 ("Security Agreement").

4. GENERAL PROVISIONS.

(a) As used herein, the word "person" shall mean and include natural persons, corporations, partnerships, unincorporated associations, joint ventures and any other form of legal entity;

(b) As used herein, the term "Lender" shall mean and include the owner and holder (including a pledgee) of any note or obligation secured hereby, whether or not named as Lender herein and the heirs, legatees, devisees, administrators, executors, successors and assigns of any such person;

(c) Wherever the context so requires herein, the masculine gender includes the feminine and neuter, the singular number includes the plural, and vice versa;

(d) Captions and paragraph headings used herein are for convenience only, are not a part of this Note and shall not be used in construing it;

(e) This Note shall be construed under and governed by the laws of the State of California; and

(f) In the event that this Note is lost, mutilated or destroyed, Borrower agrees to execute another promissory note identical in form and substance upon receipt from Lender of such indemnification as Borrower may reasonably require for any liability arising in connection with such execution.

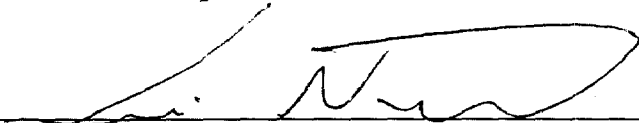
(g) Borrower shall pay all legal and other costs incurred by Lender in the collection hereof.

(h) At its option, Lender may determine that Borrower is in default and may accelerate the maturity of all payments due hereunder, making the unpaid balance of the Note due and payable immediately without presentment for payment or any notice, if (i) Borrower fails to

pay an installment when due; (ii) Borrower breaches any obligations under the Security Agreement; (iii) or Lender otherwise believes in good faith that the prospect of payment is impaired.

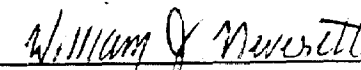
Borrower:

INTEGRISOFT, INC.
a California corporation

By 
Name: ALLAN CHANG
Title: Secretary

Lender:

HONJO U.S.A., LTD.
a California corporation

By 
Name: WILLIAM T. NEVERETTI
Title: PRESIDENT