

05-17-2002

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



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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): GroupServe, Inc. 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: MVP America, LP Internal Address: Suite 600 Street Address: 8150 Leesburg Pike City: Vienna State: VA Zip: 22182 Individual(s) citizenship Association General Partnership Limited Partnership Delaware Corporation-State 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: December 19, 2001

4. Application number(s) or registration number(s): A. Trademark Application No.(s) 76/220311 B. Trademark Registration No.(s) 2,102,288 2,248,323 Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Brent T. Salmons, Esq. Internal Address: Swidler Berlin Shereff Friedman, LLP, Suite 300 Street Address: 3000 K Street City: Washington State: DC Zip: 20007

6. Total number of applications and registrations involved: 3 7. Total fee (37 CFR 3.41): \$ 90.00 Enclosed Authorized to be charged to deposit account 8. Deposit account number: 195127 - reference Order No. 15759.0002

DO NOT USE THIS SPACE

9. Signature: Robert C Bertin, Reg. No. 41,488 Name of Person Signing Signature Date: May 9, 2002 Total number of pages including cover sheet, attachments, and document: 3

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

TRADEMARK REEL: 002507 FRAME: 0948

76220311 195127 0000225 [WELLER] 01 FEB 01 02 FEB 02

SECURITY AGREEMENT

This Security Agreement (this "**Agreement**") is entered into as of the 19th day of December, 2001, by and among MVP America, LP, a Delaware limited partnership (the "**Secured Party**"), and GroupServe, Inc., a Delaware corporation ("**Grantor**").

WHEREAS, the Secured Party loaned to Grantor the aggregate sum of \$650,000 (the "**Loan**") pursuant to that certain Amended and Restated Note Purchase Agreement, dated as of even date herewith, among the Grantor and the Secured Party (the "**Note Purchase Agreement**"), and as evidenced by that certain Convertible Promissory Note issued by Grantor pursuant to the Note Purchase Agreement (the "**Note**");

WHEREAS, Grantor has agreed to grant to the Secured Party a security interest in certain Collateral (as herein defined) to secure the obligations of Grantor under the Note; and

WHEREAS, the parties hereto desire to set forth their agreements and understandings herein.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Note, Grantor hereby represents, warrants, covenants and agrees as follows:

1. Definitions. Terms used in this Agreement but not defined in this Section 1 or otherwise in this Agreement shall have the meaning ascribed thereto in the Note Purchase Agreement. As used in this Agreement, the following terms shall have the following definitions:

"**Collateral**" means the property set forth on Exhibit A attached hereto and the Intellectual Property Collateral.

"**Copyrights**" means any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held.

"**Event of Default**" shall have the meaning as set forth in Section 4.

"**Intellectual Property Collateral**" means all of Grantor's right, title, and interest in and to the following:

(a) Copyrights, Trademarks and Patents;

(b) Any and all trade secrets, inventions, mask works, programs, works of authorship, know-how, discoveries, developments, designs, design rights and techniques and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

(c) Any and all claims for damages by way of past, present and future infringement of any of the rights included in (a) or (b) above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of such intellectual property rights;

(d) All licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights;

(e) All amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents;

(f) All documents, models, samples, specimens, reports, drawings, research materials, notes and other materials in connection with or which in any way embody or relate to any Patent or patentable matter and the right to pursue, prepare, file and prosecute any Patent application(s) in connection therewith; and

(g) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

“**Liens**” means all mortgages, liens, deeds of trust, bailments, charges, pledges, security interests, options, licenses, assignments or other encumbrances.

“**Patents**” means all patents, patent applications, all types of exclusionary or protective rights granted (or applications therefor) or inventions and like protections (including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same) and any and all patentable subject matter (including, without limitation, methods of doing business, machines, articles of manufacture, processes, compositions of matter and new uses or improvements of any of the foregoing, asexually reproduced plants and ornamental designs for an article of manufacture).

“**Permitted Liens**” means the following:

(a) Liens created by this Agreement;

(b) Liens for fees, taxes, levies, imposts, duties or other governmental charges of any kind which are not yet delinquent or which are being contested in good faith by appropriate proceedings which suspend the collection thereof;

(c) Liens incurred pursuant to purchase money security transactions;

and

(d) Liens set forth on Schedule 1, attached hereto.

“**Trademarks**” means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and

the entire goodwill of the business of Grantor connected with and symbolized by such trademarks.

2. Security Interest.

(a) Grant of Security Interest. In order to secure prompt repayment of the Note in accordance with its terms, subject to this Section 2, Grantor grants and pledges to the Secured Party a continuing security interest in all of Grantor's right, title and interest in, to and under the Collateral (including, without limitation, those Copyrights, Patents and Trademarks listed on Exhibits B, C and D attached hereto) and including, without limitation, all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits) and, with respect to the Intellectual Property Collateral, the non-exclusive right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof. Simultaneously with the execution of this Agreement, Grantor shall execute and deliver to the Secured Party those UCC-1 Financing Statements covering all of the Collateral as described on Exhibit A attached hereto (the "UCC-1s"). Grantor hereby consents to the Secured Party filing each of the UCC-1s in the appropriate states and counties.

(b) Duration of Security Interest. The Secured Party's security interest in the Collateral shall continue until the earlier of (i) payment in full of the Note or (ii) conversion of the Note in accordance with its terms, whereupon such security interest shall terminate. The Secured Party, upon payment in full or conversion of the Note (in accordance with the immediately preceding sentence), shall, at the Grantor's expense, execute such documents and take such further reasonable actions, without recourse or representation, as may be necessary to affect the release and/or termination contemplated by this Section 2(b), including executing and delivering UCC-3 Termination Statements for filing in all relevant jurisdictions.

(c) Possession of Collateral. So long as no Event of Default has occurred and is continuing (taking into account any applicable cure periods), Grantor shall remain in full possession, enjoyment and control of the Collateral, and shall manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto.

3. Representations; Warranties and Covenants. Grantor represents, warrants and covenants to the Secured Party as follows:

(a) Exhibits B, C and D attached hereto set forth any and all intellectual property rights which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

(b) Grantor is the sole owner of, and has good and marketable title to, the Collateral, free and clear of any Liens, other than Permitted Liens. No part of the Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Collateral violates the rights of any third party. Grantor is not a party to, or bound by, any agreement that restricts the grant by Grantor of a security interest in Grantor's rights under this Agreement. The security interest granted herein constitutes a valid, first priority security

interest in the presently existing Collateral and will constitute a valid, first priority security interest in Collateral acquired or created after the date hereof.

(c) There are no actions or proceedings instituted or pending or, to the Grantor's knowledge, threatened against Grantor that challenge Grantor's ownership status or rights in any Collateral or Grantor's right to use or otherwise exploit the Intellectual Property Collateral. No holding, decision or judgment has been rendered by any federal, state, local or foreign governmental authority which would limit, cancel or question the validity of any of Grantor's ownership in any of the Intellectual Property Collateral. To the Grantor's knowledge and except as set forth in Exhibit D of the Note Purchase Agreement, no third party is infringing or violating Grantor's rights in or to any of the Intellectual Property Collateral or exceeding the scope of authorization or license of any of the Intellectual Property Collateral.

(d) Until payment in full or conversion of the Note (in accordance with the terms of the Note and the Note Purchase Agreement), Grantor covenants and agrees that:

(i) Grantor shall promptly notify the Secured Party in writing of any applications or registrations that Grantor has made or filed in respect of any Patents, Copyrights or Trademarks and the status of any outstanding applications or registrations, as well as any material change in Grantor's intellectual property, including but not limited to any subsequent ownership right of Grantor in or to any Trademark, Patent or Copyright not specified in Exhibits B, C and D attached hereto and Grantor shall promptly execute and deliver to the Secured Party a security interest recordation form, substantially in the form of Exhibit E attached hereto, with respect to any such Patent or Patent applications disclosed in such written notice.

(ii) Grantor shall use its best efforts to register or cause to be registered in a reasonable time (to the extent not already registered) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable: (A) those intellectual property rights listed on Exhibits B, C and D attached hereto, (B) all registerable intellectual property rights Grantor has developed as of the date of this Agreement but heretofore failed to register and (C) to the extent commercially reasonable (taking into account the Grantor's reasonable good faith assessment of the registrability of the applicable rights, whether registration is desirable under the circumstances and the Grantor's financial capacity to pursue such registration), those additional intellectual property rights developed or acquired by Grantor from time to time in connection with any product or service, prior to the rendering of such service to any third party (including, without limitation, major revisions or additions to the intellectual property rights listed on Exhibits B, C and D attached hereto). Grantor shall give the Secured Party written notice of all such applications or registrations and Grantor shall promptly execute and deliver to the Secured Party a security interest recordation form, substantially in the form of Exhibit E attached hereto, with respect to any such Patent or Patent applications disclosed in such written notice.

(iii) Grantor shall not license, convey, sell, lease, transfer or otherwise dispose of (each a "**Transfer**") any of the Collateral, other than (A) Transfers in the ordinary course of business, consistent with prior practice, or (B) Transfers of worn-out or obsolete equipment.

(iv) Grantor shall not create, incur, assume or suffer to exist any Lien with respect to any of the Collateral, other than the Permitted Liens.

(v) Grantor shall execute and deliver such additional instruments and documents from time to time as the Secured Party shall reasonably request to perfect Secured Party's security interest in the Collateral.

(vi) Grantor shall use its best efforts to (A) protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights, (B) to detect infringements of the Trademarks, Patents and Copyrights and promptly advise the Secured Party in writing of material infringements detected and (C) not allow any Trademarks, Patents or Copyrights to be abandoned, forfeited or dedicated to the public without the written consent of the Secured Party.

(vii) Grantor shall from time to time execute and deliver to the Secured Party, at the request of the Secured Party, all financing statements and other documents that the Secured Party may reasonably request, in form satisfactory to the Secured Party, to perfect and continue perfected the Secured Party's security interests in the Collateral.

4. Events of Default.

Any one or more of the following events shall constitute an **"Event of Default"** by Grantor under this Agreement:

(a) The occurrence of an Event of Default under the Note or the Note Purchase Agreement or any other instrument securing payment of the Note (which such Event of Default shall not have been cured during any applicable cure period), or the occurrence of any event that results in any amounts payable under the Note becoming immediately due and payable; or

(b) Grantor's breach of any representation or warranty under this Agreement or violation or failure to perform under any of the covenants contained in this Agreement.

5. Secured Party's Rights and Remedies.

(a) Upon the occurrence and continuation of an Event of Default (after taking into account any applicable cure periods), and at any time and from time to time thereafter, subject to the provisions of the Virginia Uniform Commercial Code, the Secured Party may, without notice of such election and without demand, take any one or more of the following, all of which are authorized by Grantor:

(i) Without notice, demand or hearing, any right to which is hereby waived by Grantor, the Secured Party may take possession of all or any part of the Collateral and enter and remain upon the premises where such Collateral is located for the purpose of such possession and the exercise of the remedies provided herein, without the same being a trespass; and/or

(ii) Take possession of any Collateral and any agreement, instrument, lease, license, permit, contract or other document evidencing any of the Collateral and may apply or seek on behalf of and as attorney-in-fact for Grantor, any necessary consent to the assignment, transfer, conveyance, sale, renewal, reissuance or other disposition of the same, and Grantor shall cooperate fully with the Secured Party in doing so and shall take all actions requested by the Secured Party in furtherance thereof; and/or

(iii) Dispose of the Collateral by way of one or more contracts or transactions, for cash or on terms, in such manner and at such places (including Grantor's premises) as the Secured Party determines is commercially reasonable, and apply any proceeds to the Note in whatever manner or order the Secured Party deems appropriate.

(b) During the occurrence and continuation of an Event of Default (after taking into account any applicable cure periods), Grantor hereby irrevocably appoints the Secured Party (and any of the Secured Party's designees) as Grantor's true and lawful attorney to: (i) dispose of any Collateral; (ii) to modify or amend, in its sole discretion, without first obtaining Grantor's approval of or signature to such modification, Exhibits B, C and D hereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Grantor no longer has or claims to have any right, title or interest; and (iii) to transfer the Collateral into the name of the Secured Party or a third party to the extent permitted under the Virginia Uniform Commercial Code. The appointment of the Secured Party as Grantor's attorney in fact, and each and every one of the rights and powers of the Secured Party, being coupled with an interest, is irrevocable until the Note is fully paid and satisfied or is converted into the capital stock of Grantor as provided therein.

(c) The Secured Party's rights and remedies under this Agreement, the Note and all other agreements shall be cumulative. The Secured Party shall have all other rights and remedies not inconsistent herewith as provided under the Virginia Uniform Commercial Code, by law or in equity. No exercise by the Secured Party of one right or remedy hereunder shall be deemed an election of any other right or remedy, and no waiver by the Secured Party of any default on Grantor's part shall be deemed a continuing waiver. No delay by the Secured Party shall constitute a waiver, election or acquiescence by the Secured Party. No waiver of any rights of the Secured Party hereunder shall be effective unless made in a written document signed on behalf of the Secured Party.

6. Notices.

All notices or demands by any party relating to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed telex or facsimile if sent during normal business hours of recipient, if not, then on the next business day; (c) five (5) days after having been sent by registered mail, postage prepaid, return receipt requested; or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt, at its addresses set forth below:

If to Grantor: GroupServe, Inc.
1925 North Lynn Street, Suite 100
Arlington, Virginia 22209
Attention: CEO
Facsimile: (703) 522-5725

If to Secured Party: MVP America, LP
c/o Monumental Venture Partners, LLC
8150 Leesburg Pike, Suite 600
Vienna, Virginia 22182
Attention: Jeff Friedman
Facsimile: (703) 748-4808

The parties hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other.

7. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the internal laws of the Commonwealth of Virginia, without regard to principles of conflicts of law.

8. **General Provisions.**

(a) This Agreement shall bind and inure to the benefit of the respective successors and permitted assigns of each of the parties; provided, however, that neither this Agreement nor any rights hereunder may be assigned by Grantor without the prior written consent of the Secured Party. The Secured Party shall have the right without the consent of or notice to Grantor to sell, transfer, negotiate, or grant participation in all or any part of, or any interest in, the Secured Party's obligations, rights and benefits hereunder; provided, that such sale, transfer, negotiation or grant is in connection with the transfer of the Note in accordance with the terms of the Note.

(b) Time is of the essence for the performance of all obligations set forth in this Agreement.

(c) Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

(d) This Agreement cannot be amended or terminated orally. No provision of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by Grantor and by the Secured Party. All prior agreements, understandings, representations, warranties, and negotiations between the parties hereto with respect to the subject matter of this Agreement, if any, are merged into this Agreement.

(e) This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement.

(f) All covenants, representations and warranties made in this Agreement shall continue in full force and effect so long as any amount is outstanding under the Note.

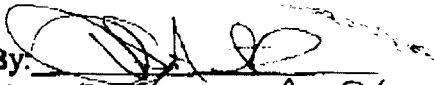
(g) The Secured Party shall not in any way or manner be liable or responsible for: (i) the safekeeping of the Collateral; (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause; (iii) any diminution in the value thereof; or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other person whomsoever. All risk of loss, damage or destruction of the Collateral shall be borne by Grantor.

[Execution page follows]

IN WITNESS WHEREOF, the parties have executed this Security Agreement as of the day and year first above written.

GRANTOR:

GROUPOSERVE, INC.

By: 
Name: Lawrence A. Group
Title: CEO

SECURED PARTY:

MVP AMERICA, LP

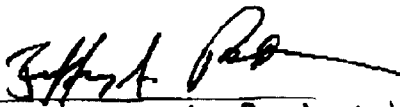
By: 
Name: JEFFREY A. FRIEDMAN
Title: MANAGING DIRECTOR

EXHIBIT A

COLLATERAL DESCRIPTION ATTACHMENT TO SECURITY AGREEMENT

All personal property of GROUPSERVE, INC. (hereinafter referred to as "**Debtor**"), whether presently existing or hereafter created, written, produced or acquired, including, but not limited to:

- (i) all accounts receivable, accounts, chattel paper, contract rights (including, without limitation, royalty agreements, license agreements and distribution agreements), documents, instruments, money, deposit accounts and general intangibles, including, without limitation, returns, repossessions, books and records relating thereto, and equipment containing said books and records, all financial assets, all investment property, including securities and securities entitlements;
- (ii) all software, computer source codes and other computer programs (collectively, the "**Software Products**"), and all common law and statutory copyrights and copyright registrations, applications for registration, now existing or hereafter arising, United States of America and foreign, obtained or to be obtained on or in connection with the Software Products, or any parts thereof or any underlying or component elements of the Software Products together with the right to copyright and all rights to renew or extend such copyrights and the right (but not the obligation) of the Secured Party to sue in its own name and/or the name of the Debtor for past, present and future infringements of copyright;
- (iii) all goods, including, without limitation, equipment and inventory;
- (iv) all guarantees and other security therefor;
- (v) all trademarks, service marks, trade names and service names and the goodwill associated therewith;
- (vi) (a) all patents and patent applications filed in the United States Patent and Trademark Office or any similar office of any foreign jurisdiction, and interests under patent license agreements, including, without limitation, the inventions and improvements described and claimed therein, (b) all patentable subject matter (including, without limitation, methods of doing business, machines, articles of manufacture, processes, compositions of matter and new uses or improvements of any of the foregoing, asexually reproduced plants and ornamental designs for an article of manufacture), (c) licenses pertaining to any patent whether Debtor is licensor or licensee, (d) all income, royalties, damages, payments, accounts and accounts receivable now or hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, (e) the right (but not the obligation) to sue for past, present and future infringements thereof, (f) all rights corresponding thereto throughout the world in all jurisdictions in which such patents have been issued or applied for, and (g) the reissues, divisions, continuations, renewals, extensions and continuations-in-part with any of the foregoing and the right to prepare applications, file and prosecute any of the foregoing patents, patent applications or patentable subject matter (all of the foregoing patents, applications and patentable subject matter and interests under patent license agreements, together with the items described in clauses (a) through (g) in this paragraph are sometimes herein individually and collectively referred to as the "**Patents**"); and
- (vii) all products and proceeds, including, without limitation, insurance proceeds, of any of the foregoing.

EXHIBIT B

SECURITY AGREEMENT

Copyrights

GroupServe has not filed applications for the registration of any copyright material, however, various marketing materials and web pages are marked with copyright notices.

EXHIBIT C

SECURITY AGREEMENT

Patents

Granted Patent

Number: 6,161,149

File Date: March 13, 1998

Title: Centrifugal Communication and Collaboration Method

Date of Patent: Dec. 12, 2000

A Continuation in part has been filed.

Applications filed for Patents

Full Applications

Application Number: 09/277,774

File Date: March 29, 1999

Title: Redundant Indexing Method to Improve Information Storage and Retrieval in Object-Relational Databases

Status: In its first and non-final office action, the USPTO rejected the claims.

GroupServe filed a response to the rejection. Further action is pending.

A Continuation in part has been prepared and is due to be filed.

Application Number: 09/688,159

File Date: October 16, 2000

Title: Synchronization of Data Sets Using Tuplespaces

Status: No office action has been taken by the USPTO.

Provisional Application

File Date: May 17, 2001

Title: Tuplespace Management System

Status: No office action has been taken by the USPTO.

EXHIBIT D

SECURITY AGREEMENT

Trademarks

Granted Marks

E-MEET
GROUPVINE

Registration #

2,102,288
2,248,323

Registration Date

Sept. 30, 1997
May 25, 1999

Applications

Mark

GROUPPORT

Application #

76/220311

Application Date

March 5, 2001

Status: Mark allowed, pending acceptance of modifications to the description of services.

RES 58236v2