

01-27-2003

Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings



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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):

GlobalView Software, 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: Seyfarth Shaw

Internal Suite 4200

Address:

55 East Monroe

Street Address:

City: Chicago State: IL Zip: 60603

- Individual(s) citizenship Association General Partnership Illinois Limited Partnership 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 31, 2001

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

A. Trademark Application No.(s) 76243718;

B. Trademark Registration No.(s) 2468407; 2248786; 2247175; 2521497; 1259301

Additional number(s) attached Yes No

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

Name: Nicole M. Walker

Internal Address: Neal, Gerber & Eisenberg

Street Address: Two North LaSalle Street

City: Chicago State: IL Zip: 60602-3801

6. Total number of applications and registrations involved:

6

7. Total fee (37 CFR 3.41).....\$ 165.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Nicole M. Walker

Name of Person Signing

Signature

January 22, 2003

Date

01/24/2003 DBYRNE 00000177 76243718

Total number of pages including cover sheet, attachments, and document: 9

01 FC:8521 02 FC:8522

40.00 OP 125.00 OP

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

FINANCE SECTION 01/22/03 AM 8:28

COPY

CONVERTIBLE NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. IT MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT OR AN EXEMPTION FROM SUCH REGISTRATION.

CONVERTIBLE SECURED PROMISSORY NOTE

\$10,000.00
Chicago, Illinois

Dated as of December 31, 2001

FOR VALUE RECEIVED, GlobalView Software, Inc. (the "Company"), hereby promises to pay to Seyfarth Shaw ("Payee"), on December 31, 2002, or such earlier date as provided for herein (the "Maturity Date"), the aggregate principal sum of Ten Thousand Dollars and No Cents (\$10,000.00), or, if less, the aggregate unpaid principal amount of this Convertible Promissory Note (this "Note"), with interest on the principal sum hereof, as set forth below. The Company may extend the Maturity Date for one additional six-month period (the last day of such extended period is referred to herein as the "Extended Maturity Date") upon written notice delivered to Payee at least ten (10) business days prior to the Maturity Date provided, however that in the event the Company elects to extend the Maturity Date, then the Company shall issue to Payee a warrant to purchase 500 shares of the Company's Series B Convertible Preferred Stock, par value \$0.001 per share (the "Series B Preferred") in the form attached hereto as Exhibit A.

Section 1. Payment of Interest; Repayment of Principal.

This Note will bear interest, which interest shall accrue on a daily basis on the outstanding principal and unpaid interest hereon, at the rate of fourteen percent (14%) per annum (compounded annually), commencing on the date hereof. Accrued and unpaid interest will be payable on the Maturity Date (or the Extended Maturity Date) or any earlier payment of all principal in full. Unless otherwise specified herein, no payments of principal or interest on this Note are required to be made prior to the Maturity Date or the Extended Maturity Date.

The Company may prepay all, but not less than all, of the principal and interest of this Note without the prior written consent of Payee and without penalty; provided, however, in the event the Company intends to make any prepayment of the Note, the Company shall give Payee at least 10 days advance written notice of such intent and Payee may elect (in lieu of such prepayment by the Company) to immediately convert the principal amount hereof plus all accrued and unpaid interest hereon into shares of Election Stock (as such term is defined below) in accordance with the provisions of Section 2(b) below as if the date of such election by Payee were the Maturity Date for purposes of Section 2(b) below.

Section 2. Conversion.

(a) Mandatory Conversion Upon Subsequent Equity Financing. In the event that the Company at any time after the date hereof issues any equity securities (or security convertible into equity securities) of the Company for cash or cancellation of

indebtedness in an equity financing in which the aggregate gross consideration received by the Company exceeds \$2,000,000; provided, however, that such amounts shall not include equity securities issued in connection with the conversion of Convertible Secured Promissory Notes issued pursuant to or in connection with any Convertible Note Purchase Agreements executed by the Company dated as of December 31, 2001 (a "Qualified Equity Financing"), then, concurrently with such Qualified Equity Financing, the principal amount hereof and any accrued and unpaid interest hereon shall convert into shares of Election Stock (as defined below) on the basis of that number of shares of Election Stock as shall be obtained by dividing the aggregate amount to be converted by the Adjusted Conversion Price (as defined below), as such number of shares is proportionately adjusted for subsequent stock splits, stock combinations, stock dividends and recapitalizations and similar events affecting the Series B Preferred.

As used herein, "Adjusted Conversion Price" shall mean (i) upon the occurrence of a Qualified Equity Financing, an amount equal to the per share sale price for the Series B Preferred in such Qualified Equity Financing but in no event in excess of \$5.00 per share or (ii) prior to a Qualified Equity Financing, \$2.00 per share.

As used herein, "Election Stock" shall mean, at the election of the holder of this Note, either (i) shares of the Series B Preferred or (ii) shares of the equity security issued in the Qualified Equity Financing (the "Future Financing Security"). If the holder of this Note elects to convert this Note into shares of the Future Financing Security, the terms of the issuance of the Future Financing Security to the holder of this Note shall be identical to the most favorable terms received by any of the other investors in the Qualified Equity Financing.

(b) Optional Conversion Upon Maturity. In the event that the Company has not concluded a Qualified Equity Financing by the original Maturity Date of this Note (without giving effect to any extension thereof), at Payee's sole election, Payee may, on the Maturity Date, convert all or part of the principal amount hereof and any accrued and unpaid interest hereon into shares of Series B Preferred on the basis of that number of shares of Series B Preferred as shall be obtained by dividing the aggregate amount to be converted by the Adjusted Conversion Price, as such number of shares is proportionately adjusted for subsequent stock splits, stock combinations, stock dividends and recapitalizations and similar events affecting the Series B Preferred.

(c) Conversion Procedure. Upon written notice of Payee's election to convert all or a part of the principal amount hereof and any accrued and unpaid interest hereon, the Company shall, as soon as practicable after receipt of such notice, at its expense, take all necessary steps to accommodate such conversion, including, without limitation, causing its charter to be amended to authorize sufficient shares of the capital stock into which this Note is to be converted pursuant to subsection (a) or (b) above (the "Conversion Stock"), if necessary, and will cause to be issued in the name of and delivered to the holder of this Note, a certificate or certificates for the number of fully paid and nonassessable shares of Conversion Stock to which the holder shall be entitled upon such conversion. No fractional shares will be issued on conversion of this Note. If on conversion of this Note, a fraction of a share results, the Company will pay the cash

value of that fractional share, calculated on the basis of the issue price of the Conversion Stock.

(d) In the event that there have been no sales of Series B Preferred on or prior to the original Maturity Date the Payee shall have the right to demand that the Company authorize the issuance of Series B Preferred Stock, which Series B Preferred Stock shall have the same terms, rights and preferences as those of the Company's Series A Convertible Preferred Stock, par value \$0.001 per share, except for the liquidation value and exercise price of the Series B Preferred Stock. Upon the authorization of such Series B Preferred, the Payee shall be entitled to convert all or a portion of the principal amount hereof, and any interest payable thereon, in accordance with the terms of Section 2(b) hereof.

(e) Notwithstanding anything to the contrary in this Note, in the event that the Company issues Series B Preferred Stock in a transaction or series of transactions, taken as a whole, that do not constitute a Qualified Equity Financing, then the rights of the Series B Preferred Stock, issuable upon conversion of this Note, upon liquidation or dissolution of the Company, shall be prior to and take preference over the rights upon liquidation or dissolution of the shares of the Company's Series A Convertible Preferred Stock.

Section 3. Security.

(a) The Company hereby grants a security interest in the following described property whether now or hereafter existing or acquired by the Company (the "Collateral") to Payee to secure payment of this Note:

All of the Company's Accounts, all of the Company's Intellectual Property, the Company's Key Man Life Insurance Policy and all proceeds and products of any of the foregoing. As used herein, "Accounts" means all rights to payment for goods sold or leased or services rendered by the Company, whether or not earned by performance, together with all security interests or other security held by or granted to the Company to secure such rights to payment. As used herein, "Intellectual Property" means all patents (including all reissues, divisions, continuations and extensions thereof), patent applications, patent rights, trademarks, trademark registrations, trademark applications, servicemarks, trade names, trade secrets, business names, brand names, domain names, copyrights, copyright registrations and renewals, designs, design registrations, software (together with all related source code(s) and applicable documentation) whether owned by the Company or licensed by the Company from a third party (to the extent of the Company's interest in any such licensed Intellectual Property). As used herein, the term "Key Man Life Insurance Policy" means that certain life insurance policy owned by the Company covering the life of Jon B. Olson.

(b) Concurrently with the execution and delivery of this Note, the Company shall deliver to Payee (x) a UCC-1 financing statement, Patent and a Trademark Office Form PTO-1618 and such other documents as counsel for Payee may reasonably request in order to perfect the security interest granted herein and (y) search results of the public records of the Delaware Secretary of State, the Illinois Secretary of State and the Recorder's Office of Cook County, Illinois confirming the absence of security interests, judgments, tax liens and bankruptcy proceedings which affect or could affect the Collateral.

(c) The security interest created hereby shall immediately terminate upon payment (or conversion) of the entire principal balance and interest thereon due under this Note.

(d) Upon notice given by Payee from time to time, the Company shall prepare and deliver to Payee a listing of the Collateral, as of the date such notice is given, and a current financial statement with respect to purchases or sales or other acquisitions or dispositions of Collateral. Each such listing shall be in a form acceptable to Payee and certified by a duly authorized officer of the Company as being true and complete;

(e) Except for (i) the security interests granted hereunder, (ii) the security interest granted in relation to that certain \$50,000 promissory note in favor of Charles Barkley dated prior to the date hereof, (iii) the security interest granted to Open Prairie Ventures I, L.P., pursuant to that certain Convertible Secured Promissory Note dated as of February 15, 2001 and (iv) security interests granted after the date hereof which are expressly subordinate to the security interest granted hereunder, the Company is and will be at all times the sole owner of the Collateral, free and clear from any lien, security interest, pledge or encumbrance, and no person other than Payee has or will have any security interest or lien upon any of the Collateral and the Company will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein. The Company shall duly note Payee's interest in the Collateral on its financial statements, books and records;

(f) Except for the financing statements to be filed as set forth above, financing statements currently on file, copies of which have been previously provided to Payee, no financing statement or other acknowledgment of lien covering any Collateral or any proceeds thereof is on file in any public office. The Company shall immediately give Payee notice in writing of any change in its address from that shown in this Note, shall also upon demand execute and deliver to Payee such financing statements, assignments, and other documents in form satisfactory to Payee, and do all such further acts and things as Payee may at any time and from time to time reasonably request as may be necessary or appropriate to establish and maintain a validly perfected security interest in the Collateral as security for this Note, free of any liens, claims or encumbrances (except as set forth in items (i), (ii) and (iv) of subsection (e) above), and the Company will pay the cost of filing or recording the same or filing in all public offices wherever filing or recording is deemed by Payee to be necessary or desirable;

(g) Except for the sale, replacement or exchange in the ordinary course of business and except as set forth in item (iv) of subsection (e) above, the Company will not sell or offer to sell, assign, pledge, lease or otherwise transfer or encumber the Collateral, or any interest therein, without the prior written consent of Payee;

(h) The Company hereby gives Payee the authority to sell, assign or otherwise dispose of the Collateral (or in the case of any licensed Intellectual Property, the Company's interest in such Intellectual Property), or any part thereof, in accordance with the Illinois Uniform Commercial Code in the event of any Event of Default (as defined below) at public or private sale, provided Payee shall give the Company at least fifteen (15) days' prior written notice of the time and place of any public sale or of the time after which any private sale or any other intended disposition thereof is to be made. Payee may buy the Collateral at any public sale. Proceeds realized upon any such disposition, after deduction for reasonable selling expenses incurred by Payee, shall be applied to the payment of the liabilities and obligations hereunder, credited first against accrued and unpaid interest and any excess against principal payments. Payee will account to the Company for any surplus realized on such disposition.

Section 4. Events of Default. If one or more of the following events occurs, namely:

(a) If there is a failure in the payment of any installment of interest on or the principal of this Note or any part thereof on the date the same is due which failure continues uncured for a period of at least five (5) days; or

(b) Any of the Company's lenders accelerates any of the Company's indebtedness to such lender; or

(c) The Company (i) admits in writing its inability to pay its debts as they come due, or makes a general assignment for the benefit of creditors; (ii) commences any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property; or (iii) takes any corporate action to authorize any of the actions set forth above in this Section 4; or

(d) Any case, proceeding or other action against the Company will be commenced seeking to have an order for relief entered against the Company as debtor, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of the Company or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property, and such case, proceeding or other action remains undismissed for a period of ninety (90) days;

(e) A material breach of a representation or warranty of the Company set forth in Section 2 of the Convertible Note Purchase Agreement which has, or is reasonably

likely to have, a material adverse affect upon the business, financial condition or results of operations of the Company or a material breach of a covenant of the Company set forth in the Section 8 of the Convertible Note Purchase Agreement which is not cured by the Company or with respect to which the Company has undertaken substantial and diligent efforts to effect such cure and continues to diligently pursue such efforts, within thirty (30) days following receipt by the Company of written notice identifying, and setting forth in reasonable detail the nature of, such material breach;

(each, an "Event of Default") then upon the written notice of Payee in the case of an Event of Default under Sections 4(a) or (b) above, and without any action taken by Payee in the case of an Event of Default under Sections 4(c) or 4(d) above, the entire aggregate principal amount of this Note will become immediately due and payable, together with all accrued and unpaid interest thereon. In addition, Payee may elect to immediately convert the principal amount hereof plus all accrued and unpaid interest hereon into shares of Election Stock in accordance the provisions of Section 2(b) above as if the date of such election by Payee were the Maturity Date for purposes of Section 2(b) above. The Company will pay on demand all costs and expenses, including reasonable attorneys' fees, incurred or paid by the Payee in enforcing or collecting any of the obligations of the Company hereunder. The Company agrees that all amounts due under this Note immediately after maturity or any other payment default hereunder, and any amounts due hereunder if an Event of Default shall occur hereunder, shall bear interest at a per annum rate equal to 18% (the "Default Rate"), until such expenditures are repaid or this Note and such amounts as are due are paid to the Payee; provided, however, that if there exists an Event of Default under Section 4(a) above, the Default Rate of interest shall accrue from the initial date of default, without giving effect to the sixty (60) day cure periods in such Sections. The Company agrees to immediately provide the Payee with written notice of any event of default declared by any lender on any of its indebtedness.

Section 5. Cancellation of Debt in Certain Circumstances. At the option of Payee, Payee may forgive all or a portion of the outstanding principal balance of this Note which amount shall be credited against any amounts due from Payee to the Company including, without limitation, any amounts due to the Company upon exercise by Payee of any warrants to purchase any equity securities of the Company.

Section 6. Notice; Registered Form. Any notice or communication given under this Note will be in writing and be hand delivered, mailed by registered or certified mail, postage prepaid, delivered by facsimile (with a telephonic confirmation or answer-back) or by overnight courier as follows:

GlobalView Software, Inc.
223 West Jackson Blvd.
Suite 610
Chicago, IL 60606
Attn: Jon Olson

With a copy to:

Seyfarth Shaw
55 East Monroe Street
42nd Floor
Chicago, IL 60603
Attn: David Stone, Esq.

To Purchaser:

Seyfarth Shaw
55 East Monroe
Suite 4200
Chicago, Illinois 60603

or at such other address as hereafter will be furnished in writing by the addressed party to the other party. Delivery by hand will be deemed given when personally delivered; delivery by registered or certified mail will be deemed given three (3) business days after the same is posted; delivery by facsimile will be deemed given when received; and delivery by overnight courier will be deemed given the first business day following the date of timely deposit with such courier.

Section 7. Transfers. Payee may transfer this Note to any other Person upon written notice to the Company. Any transfer of this Note may be made only in accordance with federal securities laws and other securities statutes or pursuant to applicable exemptions therefrom.

Section 8. Replacement of Note. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note, on delivery of an indemnity agreement and/or security satisfactory in form and amount to the Company or, in the case of any such mutilation, on surrender and cancellation of such Note, the Company at its expense will execute and deliver, in lieu thereof, a new Note of like tenor.

Section 9. Waiver; No Subordination; Modifications in Writing. No failure or delay on the part of Payee in exercising any right, power or remedy hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to Payee at law, in equity or otherwise. This Note shall not be subordinated to any other obligation of the Company without the express written consent of Payee. Any provision of this Note may be waived by or on behalf of Payee, and this Note may be amended, provided such waiver or amendment is approved and signed by the Company and Payee.

Section 10. Governing Law. This Agreement will be deemed to be a contract made under the laws of the State of Illinois, and for all purposes will be construed in accordance with the laws of said state, without regard to principles of conflicts of law.

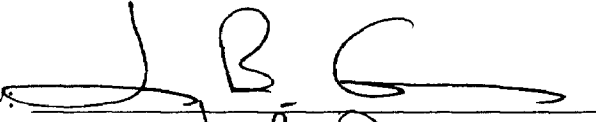
Section 11. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 12. Headings. The headings in this Note are for the convenience of reference only and will not affect the construction of this Note.

Section 13. Expenses. Company agrees to pay, and hold Payee and each of its permitted assignees harmless against liability for the payment of, (a) stamp and other taxes which may be payable in respect of the execution and delivery of this Note or its conversion, and (b) the reasonable fees and expenses incurred with respect to the enforcement of the rights granted under this Note and the agreements contemplated hereby.

IN WITNESS WHEREOF, this Note is executed by a duly authorized officer of the undersigned as of the date and year first above written.

GLOBALVIEW SOFTWARE, Inc.,
a Delaware corporation

By: 
Name: J. B. Owen
Its: CEO