

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

1. Name of conveying party(ies): Spotlight Solutions, 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: Blue Chip Capital Fund III, Limited Partnership Internal Address:

Street Address: 250 East Fifth Street

City: Cincinnati State: OH Zip: 45202

- Individual(s) citizenship, Association, General Partnership, 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: 07/24/2003

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

A. Trademark Application No. (s) 76/501,901 76/503,897; 76/242,283

B. Trademark Registration No. (s) 2,701,538 2,668,174

Additional number(s) attached Yes No

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

Name: Joseph D. Hatina

Internal Address:

Street Address: North Point

901 Lakeside Avenue

City: Cleveland State: OH Zip: 44114

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:

50-1432

DO NOT USE THIS SPACE

9. Signature.

Pamela J. Cyngler Name of Person Signing

Handwritten signature of Pamela J. Cyngler

08/04/2003 Date

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

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- General Partnership
- Corporation-State
- Other \_\_\_\_\_
- Association
- Limited Partnership

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

2. Name and address of receiving party(ies)

Name: Venrock Associates, Venrock Associates III, L.P.  
Internal Address: Room 5600

Street Address: 30 Rockefeller Plaza  
City: New York State: NY Zip: 10112

- Individual(s) citizenship \_\_\_\_\_
- Association \_\_\_\_\_
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation-State \_\_\_\_\_
- Other \_\_\_\_\_

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3. Nature of conveyance:

- Assignment
- Security Agreement
- Other \_\_\_\_\_
- Merger
- Change of Name

Execution Date: 07/24/2003

2. Name and address of receiving party(ies)

Name: Brand Equity Ventures I, L.P., Brand Equity Ventures II, L.P.

Internal Address: One Stamford Plaza

Street Address: 263 Tresser Blvd., 16th Floor

City: Stamford State: CT Zip: 06901

- Individual(s) citizenship \_\_\_\_\_
- Association \_\_\_\_\_
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation-State \_\_\_\_\_
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- Corporation-State
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- Association
- Limited Partnership

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

2. Name and address of receiving party(ies)

Name: Castellini Management Company, Limited Partnership

Internal Address: \_\_\_\_\_  
Address: \_\_\_\_\_

Street Address: 312 Elm Street, Suite 2600

City: Cincinnati State: OH Zip: 45202

- Individual(s) citizenship \_\_\_\_\_
- Association \_\_\_\_\_
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
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3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: 07/24/2003

2. Name and address of receiving party(ies)

Name: Stephen E. Kaufman

Internal

Address:

Street Address: 135 Garfield Place, Apt. 432

City: Cincinnati State: OH Zip: 45202

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

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**TRADEMARK**  
**REEL: 002694 FRAME: 0431**

# SPOTLIGHT SOLUTIONS, INC.

## SECURITY AGREEMENT

This Security Agreement ("*Agreement*"), dated as of July 24, 2003, is made by Spotlight Solutions, Inc., a Delaware corporation (the "*Company*"), in favor of Blue Chip Capital Fund III Limited Partnership ("*Blue Chip*"), Venrock Associates ("*Venrock*"), Venrock Associates III, L.P. ("*Venrock III*"), Brand Equity Ventures I, L.P. ("*BEI*"), Brand Equity Ventures II, L.P. ("*BEII*" and together with BEI, "*Brand Equity*") and the other parties listed on the signature pages hereto (collectively, with Blue Chip, Venrock, Venrock III and Brand Equity, the "*Secured Parties*").

### RECITALS

WHEREAS, the Secured Parties have agreed to make certain advances of money and to extend certain financial accommodation (the "*Loans*") to the Company in the amounts set forth in the Note Purchase Agreement, dated of even date herewith (the "*Purchase Agreement*").

WHEREAS, the Company has agreed to repay the outstanding principal balance and accrued and unpaid interest thereon pursuant to the Subordinated Secured Promissory Note issued in favor of each Secured Party (the "*Notes*").

WHEREAS, the Secured Parties are willing to make the Loans to the Company on the condition that the Company enter into this Agreement, for the purpose of securing payment to the Secured Parties of the amount owing pursuant to the Notes.

### AGREEMENTS

NOW THEREFORE, in consideration of the premises and the covenants hereinafter contained and to induce the Secured Parties to make the Loans, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each Secured Party hereby agree as follows:

1. Defined Terms. When used in this Agreement the following terms shall have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

"*Collateral*" has the meaning assigned to such term in Section 2 of this Agreement.

"*Contracts*" means all contracts (including any customer, vendor, supplier, service or maintenance contract), leases, licenses, undertakings, purchase orders, permits, franchise agreements or other agreements (other than any right evidenced by Chattel Paper, Documents or Instruments), whether in written or electronic form, in or under which the Company now holds or hereafter acquires any right, title or interest, including, without limitation, with respect to an Account, any agreement relating to the terms of payment or the terms of performance thereof.

**"Copyright License"** means any agreement, whether in written or electronic form, in which the Company now holds or hereafter acquires any interest, granting any right in or to any Copyright or Copyright registration (whether the Company is the licensee or the licensor thereunder) including, without limitation, licenses pursuant to which the Company has obtained the exclusive right to use a copyright owned by a third party.

**"Copyrights"** means all of the following now owned or hereafter acquired or created (as a work for hire for the benefit of the Company) by the Company or in which the Company now holds or hereafter acquires or receives any right or interest, in whole or in part: (a) all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, any State thereof or any other country; (b) registrations, applications, recordings and proceedings in the United States Copyright Office or in any similar office or agency of the United States, any State thereof or any other country; (c) any continuations, renewals or extensions thereof; (d) any registrations to be issued in any pending applications, and shall include any right or interest in and to work protectable by any of the foregoing which are presently or in the future owned, created or authorized (as a work for hire for the benefit of the Company) or acquired by the Company, in whole or in part; (e) prior versions of works covered by copyright and all works based upon, derived from or incorporating such works; (f) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to copyrights, including, without limitation, damages, claims and recoveries for past, present or future infringement; (g) rights to sue for past, present and future infringements of any copyright; and (h) any other rights corresponding to any of the foregoing rights throughout the world.

**"Event of Default"** has the meaning ascribed to it in the Notes.

**"License"** means any Copyright License, Patent License, Trademark License or other license of rights or interests, whether in-bound or out-bound, whether in written or electronic form, now or hereafter owned or acquired or received by the Company or in which the Company now holds or hereafter acquires or receives any right or interest, and shall include any renewals or extensions of any of the foregoing thereof.

**"Lien"** means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

**"Patent License"** means any agreement, whether in written or electronic form, in which the Company now holds or hereafter acquires any interest, granting any right with respect to any invention on which a Patent is in existence (whether the Company is the licensee or the licensor thereunder).

**"Patents"** means all of the following in which the Company now holds or hereafter acquires any interest: (a) all letters patent of the United States or any other country, all registrations and recordings thereof and all applications for letters patent of the United States or any other country, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country; (b) all reissues, divisions, continuations, renewals, continuations-in-part or extensions thereof; (c) all petty patents, divisionals and patents of addition; (d) all patents to issue in any such applications; (e) income, royalties, damages, claims

and payments now and hereafter due and/or payable with respect to patents, including, without limitation, damages, claims and recoveries for past, present or future infringement; and (f) rights to sue for past, present and future infringements of any patent.

**"Permitted Lien"** means: (a) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings; (b) Liens (i) upon or in any Equipment acquired or held by the Company to secure the purchase price of such Equipment or indebtedness incurred solely for the purpose of financing the acquisition of such Equipment or (ii) existing on such Equipment at the time of its acquisition, provided that the Lien is confined solely to the Equipment so acquired, improvements thereon and the Proceeds of such Equipment; (c) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; (d) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; (e) Liens securing capital lease obligations on assets subject to such capital leases (including proceeds thereof and accessions thereto), all incurred solely for the purpose of financing the lease of such equipment (including Liens arising from UCC financing statements regarding such leases); and (f) Liens of Silicon Valley Bank prior to or on the date hereof.

**"Revised Article 9"** has the meaning set forth in Section 3.

**"Secured Obligations"** means (a) the obligation of the Company to repay the Secured Parties all of the unpaid principal amount of, and accrued interest on (including any interest that accrues after the commencement of bankruptcy), the Notes, (b) the obligation of the Company to pay any fees, costs and expenses of the Secured Parties under Section 7(d) hereof and (c) all other indebtedness, liabilities and obligations of the Company to each of the Secured Parties, whether now existing or hereafter incurred, and whether created under, arising out of or in connection with any written agreement or otherwise.

**"Secured Parties"** means Blue Chip, Venrock, Venrock III, Brand Equity, the other parties listed on the signature pages hereto as of the date hereof and any other person or entity who becomes a party to this Agreement by executing a signature page hereto as the result of such party or entity being issued a Note in connection with the Purchase Agreement.

**"Trademark License"** means any agreement, whether in written or electronic form, in which the Company now holds or hereafter acquires any interest, granting any right in and to any Trademark or Trademark registration (whether the Company is the licensee or the licensor thereunder).

**"Trademarks"** means any of the following in which the Company now holds or hereafter acquires any interest: (a) any trademarks, tradenames, corporate names, company names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar



office or agency of the United States, any State thereof or any other country (collectively, the "Marks"); (b) any reissues, extensions or renewals thereof; (c) the goodwill of the business symbolized by or associated with the Marks; (d) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to the Marks, including, without limitation, damages, claims and recoveries for past, present or future infringement; and (e) rights to sue for past, present and future infringements of the Marks.

"UCC" means the Uniform Commercial Code as the same may from time to time be in effect in the State of Ohio (and each reference in this Agreement to an Article thereof (denoted as a Division of the UCC as adopted and in effect in the State of Ohio) shall refer to that Article (or Division, as applicable) as from time to time in effect); provided, however, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of such Secured Parties' security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of Ohio, the term "UCC" shall mean the Uniform Commercial Code (including the Articles thereof) as in effect at such time in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

In addition, the following terms shall be defined terms having the meaning set forth for such terms in the UCC: "**Account**" (including health-care-insurance receivables), "**Account Debtor**", "**Chattel Paper**" (including tangible and electronic chattel paper), "**Commercial Tort Claims**", "**Commodity Account**", "**Deposit Account**", "**Documents**", "**Equipment**" (including all accessions and additions thereto), "**Fixtures**", "**General Intangible**" (including payment intangibles and software), "**Instrument**", "**Intellectual Property**", "**Inventory**" (including all goods held for sale or lease or to be furnished under a contract of service, and including returns and repossessions), "**Investment Property**" (including securities and securities entitlements), "**Letter-of-Credit Right**" (whether or not the letter of credit is evidenced by a writing), "**Payment Intangibles**", "**Proceeds**", "**Promissory Notes**", "**Securities Account**", and "**Supporting Obligations**". Each of the foregoing defined terms shall include all of such items now owned, or hereafter acquired, by the Company.

2. Grant of Security Interest. As collateral security for the full, prompt, complete and final payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all the Secured Obligations and in order to induce the Secured Parties to cause the revolving loans to be made under the Notes, the Company hereby assigns, conveys, mortgages, pledges, hypothecates and transfers to the Secured Parties, and hereby grants to the Secured Parties, a security interest in all of the Company's right, title and interest in, to and under the following, whether now owned or hereafter acquired, (all of which being collectively referred to herein as the "**Collateral**"):

- (a) All Accounts of the Company;
- (b) All Chattel Paper of the Company;
- (c) All Commercial Tort Claims of the Company;
- (d) All Contracts of the Company;

(e) All Deposit Accounts of the Company;

(f) All Documents of the Company;

(g) All Equipment of the Company;

(h) All Fixtures of the Company;

(i) All General Intangibles of the Company, including, without limitation, Payment Intangibles, all Copyrights, Patents, Trademarks, Licenses, designs, drawings, technical information, marketing plans, customer lists, trade secrets, proprietary or confidential information, inventions (whether or not patentable), procedures, know-how, models and data;

(j) All Instruments of the Company, including, without limitation, Promissory Notes;

(k) All Inventory of the Company;

(l) All Investment Property of the Company;

(m) All Letter-of Credit Rights of the Company;

(n) All Supporting Obligations of the Company;

(o) All property of the Company held by the Secured Parties, or any other party for whom the Secured Parties are acting as agent hereunder, including, without limitation, all property of every-description now or hereafter in the possession or custody of or in transit to the Secured Parties or such other party for any purpose, including, without limitation, safekeeping, collection or pledge, for the account of the Company, or as to which the Company may have any right or power;

(p) All other goods and personal property of the Company, wherever located, whether tangible or intangible, and whether now owned or hereafter acquired, existing, leased or consigned by or to the Company; and

(q) To the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for and rents, profits and products of each of the foregoing;

provided, however, if attachment of the security interest in any Contract, License or Supporting Obligation would require the consent of any party thereto other than the Company, or would give any such other party the right to terminate its obligations thereunder, then the Company shall use its best efforts to obtain the consent of such party and thereafter only if such consent was not obtained will such Contract, License or Supporting Obligation be excluded from the definition of Collateral. If such Contract, License or Supporting Obligation is excluded from the definition of Collateral, all of the Company's rights thereunder that are Accounts, Payment Intangibles, Instruments or Chattel Paper and that are Collateral will nonetheless continue to constitute Collateral.

3. Revised Article 9. The parties acknowledge that revised Article 9 of the Uniform Commercial Code in the form approved by the American Law Institute and the National Conference of Commissioners on Uniform State Law and contained in the 1999 official text of Revised Article 9 ("*Revised Article 9*") has been adopted in the State of Ohio and elsewhere and hereby agree to the following provisions of this Agreement in anticipation of the possible application thereof, in one or more jurisdictions, to the transactions contemplated hereby.

(a) In applying the law of any jurisdiction in which Revised Article 9 is in effect, the Collateral is all assets of the Company described in Section 2, whether or not within the scope of Revised Article 9. The Collateral shall include the following categories of assets as defined in Revised Article 9: goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health-care-insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, general intangibles (including payment on intangibles and software), supporting obligations and any and all proceeds of any thereof, wherever located, whether now owned or hereafter acquired. If the Company shall at any time, whether or not Revised Article 9 is in effect in any particular jurisdiction, acquire a commercial tort claim, as defined in Revised Article 9, the Company shall promptly notify the Secured Parties in a writing signed by the Company of the brief details thereof and grant to the Secured Parties in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the applicable Secured Party.

(b) The Secured Parties may at any time and from time to time file financing statements, continuation statements (including "in lieu" continuation statements) and amendments thereto that describe the Collateral as all assets of the Company or words of similar effect and which contain any other information required by Part 5 of Revised Article 9 for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including whether the Company is an organization, the type of organization and any organization identification number issued to the Company. The Company agrees to furnish any such information to such Secured Party promptly upon request. Any such financing statements, continuation statements or amendments may be signed by the Secured Parties on behalf of the Company (if required to be signed for purposes of filing) and may be filed at any time in any jurisdiction whether or not Revised Article 9 is then in effect in that jurisdiction.

(c) The Company shall at any time and from time to time, whether or not Revised Article 9 is in effect in any particular jurisdiction, take such steps as the Secured Parties may reasonably request for the Secured Parties (i) to obtain an acknowledgment, in form and substance reasonably satisfactory to the Secured Parties, of any bailee having possession of any of the Collateral that the bailee holds such Collateral for the Secured Parties, (ii) to obtain "control" of any investment property, deposit accounts, letter-of-credit rights or electronic chattel paper (as such terms are defined in Revised Article 9 with corresponding provisions in Rev. §§ 9-104, 9-105, 9-106 and 9-107 relating to what constitutes "control" for such items of Collateral), with any agreements establishing control to be in form and substance reasonably satisfactory to the Secured Parties, and (iii) otherwise to insure the continued perfection and

priority of the Secured Parties' security interest in any of the Collateral and of the preservation of its rights therein, whether in anticipation of or following the effectiveness of Revised Article 9 in any jurisdiction.

(d) Nothing contained in this Section 3 shall be construed to narrow the scope of the Secured Parties' security interest in any of the Collateral or the perfection or priority thereof or to impair or otherwise limit any of the rights, powers, privileges or remedies of the Secured Parties hereunder except (and then only to the extent) mandated by Revised Article 9 to the extent then applicable.

#### 4. Rights of the Secured Parties: Collection of Accounts.

(a) Notwithstanding anything contained in this Agreement to the contrary, the Company expressly agrees that it shall remain liable under each of its Contracts and each of its Licenses to observe and perform all the conditions and obligations to be observed and performed by it thereunder and that, subject to Sections 6.1, 6.3 and 6.9, it shall perform all of its material duties and obligations thereunder, all in accordance with and pursuant to the terms and provisions of each such Contract or License. The Secured Parties shall not have any obligation or liability under any Contract or License by reason of or arising out of this Agreement or the granting to the Secured Parties of a lien therein or the receipt by the Secured Parties of any payment relating to any Contract or License pursuant hereto, nor shall the Secured Parties be required or obligated in any manner to perform or fulfill any of the obligations of the Company under or pursuant to any Contract or License, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Contract or License, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(b) Upon the occurrence and during the continuance of any Event of Default, Secured Parties may take such action as it deems reasonably necessary to collect Accounts, provided that such collection is performed in a prudent and businesslike manner. Upon the occurrence and during the continuance of any Event of Default, at the request of a Secured Party, the Company shall deliver all original and other documents evidencing and relating to the performance of labor or service which created such Accounts, including, without limitation, all original orders, invoices and shipping receipts.

(c) The Secured Parties may, upon the occurrence and during the continuance of any Event of Default, without notifying the Company of its intention to do so, notify Account Debtors of the Company, parties to the Contracts of the Company, obligors in respect of Instruments of the Company and obligors in respect of Chattel Paper of the Company that the Accounts and the right, title and interest of the Company in and under such Contracts, Instruments and Chattel Paper have been assigned to the Secured Parties and that payments shall be made directly to the Secured Parties. Upon the request of the Secured Parties, the Company shall so notify such Account Debtors, parties to such Contracts, obligors in respect of such Instruments and obligors in respect of such Chattel Paper. Upon the occurrence and during the continuance of any Event of Default, the Secured Parties may, in its respective name or in the name of others, communicate with such Account Debtors, parties to such Contracts, obligors in

respect of such Instruments and obligors in respect of such Chattel Paper to verify with such parties, to such Secured Party's satisfaction, the existence, amount and terms of any such Accounts, Contracts, Instruments or Chattel Paper.

5. Representations And Warranties. The Company hereby represents and warrants to each Secured Party that:

(a) Except for the security interest granted to the Secured Parties under this Agreement and Permitted Liens, the Company is the sole legal and equitable owner or, has the power to transfer or, as to Intellectual Property licensed from other persons, licensee of each item of the Collateral in which it purports to grant a security interest hereunder, having good and marketable title thereto or the power to transfer, free and clear of any and all Liens except for Permitted Liens.

(b) No effective security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Collateral exists, except such as may have been filed by the Company in favor of Secured Party pursuant to this Agreement except for Permitted Liens.

(c) This Agreement creates a legal and valid security interest on and in all of the Collateral in which the Company now has rights and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken subject to any additional filings to be made with the United States Copyright Office and/or Patent and Trademark Office as are necessary to perfect such Secured Party's security interest in ownership rights and interests of the Company in Copyrights, Patents, Trademarks and Licenses. Accordingly, to the extent the security interest of the Secured Parties can be perfected by filing a Uniform Commercial Code financing statement, each Secured Party has a fully perfected security interest in all of the Collateral in which the Company now has rights subject only to Permitted Liens and additional filings to be made with the United States Copyright Office and/or Patent and Trademark Office as are necessary to perfect such Secured Party's security interest in ownership rights and interests of the Company in Copyrights, Patents, Trademarks and Licenses. This Agreement, to the extent the security interest of the Secured Parties can be perfected by filing a Uniform Commercial Code financing statement, will create a legal and valid and fully perfected security interest in the Collateral in which the Company later acquires rights, when the Company acquires those rights subject only to Permitted Liens and additional filings to be made with the United States Copyright Office and/or Patent and Trademark Office as are necessary to perfect such Secured Party's security interest in subsequent ownership rights and interests of the Company in Copyrights, Patents, Trademarks and Licenses and subject to the execution of a supplement to this Agreement relating to any commercial tort claims of the Company arising after the date hereof.

(d) The chief executive office, principal place of business, and the place where the Company maintains its records concerning the Collateral are presently located at the address set forth on the first page hereof. The Collateral, other than Deposit Accounts, Securities Accounts, Commodity Accounts and motor vehicles and other mobile goods of the type contemplated in the UCC, is presently located solely at such address (except as would have been allowed pursuant to Section 6.1 below).

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(e) The name and address of each depository institution at which the Company maintains any Deposit Account and the account number and account name of each such Deposit Account shall be provided to each Secured Party upon request. The name and address of each securities intermediary or commodity intermediary at which the Company maintains any Securities Account or Commodity Account and the account number and account name shall be provided to each Secured Party upon request.

(f) The Company is the sole holder of record and the sole beneficial owner of all certificated securities and uncertificated securities pledged to the Secured Parties by the Company under Section 2 of this Agreement, free and clear of any adverse claim, as defined in the UCC, except for the Lien created in favor of the Secured Parties by this Agreement and Permitted Liens.

(g) None of the Investment Property of the Company has been transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such transfer may be subject.

6. Covenants. The Company covenants and agrees with each Secured Party that from and after the date of this Agreement and until the Secured Obligations have been performed and paid in full:

6.1 Disposition of Collateral. The Company shall not sell, lease, transfer or otherwise dispose of any of the Collateral, or attempt or contract to do so, other than (a) the sale of Inventory, (b) the granting of non-exclusive Licenses and (c) the disposal of worn-out or obsolete Equipment, all in the ordinary course of the Company's business.

6.2 Change of Jurisdiction of Organization, Relocation of Business or Collateral. The Company shall not change its jurisdiction of organization, relocate its chief executive office, principal place of business or its records, or allow the relocation of any Collateral (except as allowed pursuant to Section 6.1 immediately above) from such address(es) provided to each Secured Party pursuant to Section 5(d) above without giving thirty (30) days prior written notice to each of the Secured Parties.

6.3 Limitation on Liens on Collateral. The Company shall not, directly or indirectly, create, permit or suffer to exist, and shall defend the Collateral against and take such other action as is necessary to remove, any Lien on the Collateral, except (a) Permitted Liens and (b) the Lien granted to the Secured Parties under this Agreement. The Company shall further defend the right, title and interest of the Secured Parties in and to any of the Company's rights under the Chattel Paper, Contracts, Documents, General Intangibles, Instruments and Investment Property and to the Equipment and Inventory and in and to the Proceeds thereof against the claims and demands of all persons whomsoever other than (i) disposition of Collateral permitted by Section 6.1 and (ii) to the extent the Company reasonably determines that any Collateral which constitutes Licenses, Copyrights, Patents or Trademarks is no longer used or useful in the operation of the business of the Company as then conducted.

6.4 Limitations on Modifications of Accounts, Etc. Upon the occurrence and during the continuance of any Event of Default, the Company shall not, without the Secured

Parties' prior written consent, grant any extension of the time of payment of any of the Accounts, Chattel Paper, Instruments or amounts due under any Contract or Document, 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 trade discounts and rebates granted in the ordinary course of the Company's business.

6.5 Insurance. The Company shall maintain insurance policies insuring the Collateral against loss or damage from such risks and in such amounts and forms and with such companies as are customarily maintained by businesses similar to the Company.

6.6 Taxes, Assessments, Etc. The Company shall pay promptly when due all property and other taxes, assessments and government charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment, Fixtures or Inventory, except to the extent the validity thereof is being contested in good faith and adequate reserves are being maintained in connection therewith.

6.7 Maintenance of Records. The Company shall keep and maintain at its own cost and expense satisfactory and complete records of the Collateral. The Company shall not create any Chattel Paper without placing a legend on the Chattel Paper acceptable to the Secured Parties indicating that the Secured Parties have a security interest in the Chattel Paper.

6.8 Notification Regarding Changes in Intellectual Property. The Company shall promptly advise the Secured Parties of any materially adverse change to the Company's ownership right or interest in or to any Copyright, Patent, Trademark or License.

6.9 Defense of Intellectual Property. The Company shall (i) protect, defend and maintain the validity and enforceability of the Copyrights, Patents and Trademarks, (ii) use its best efforts to detect infringements of the Copyrights, Patents and Trademarks and promptly advise the Secured Parties in writing of material infringements detected and (iii) not allow any Copyrights, Patents or Trademarks to be abandoned, forfeited or dedicated to the public without the written consent of the Secured Parties.

6.10 Further Assurances; Pledge of Instruments. At any time and from time to time, upon the written request of a Secured Party, and at the sole expense of the Company, the Company shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as such Secured Party may reasonably deem necessary or desirable to obtain the full benefits of this Agreement, including, without limitation, (a) using its best efforts to secure all consents and approvals necessary or appropriate for the grant of a security interest to the Secured Parties in any Contract held by the Company or in which the Company has any right or interest not heretofore assigned (except to the extent not so required under Section 2 above), (b) executing, delivering and causing to be filed any financing or continuation statements (including "in lieu" continuation statements) under the UCC with respect to the security interests granted hereby, (c) filing or cooperating with the Secured Parties in filing any forms or other documents required to be recorded with the United States Patent and Trademark Office, United States Copyright Office, or any actions, filings, recordings or registrations in any foreign jurisdiction or under any international treaty, required to secure or protect the Secured Parties' interest in the Company's Collateral, (d) transferring the Company's

Collateral to the Secured Parties' possession (if a security interest in such Collateral can only be perfected by possession), (e) at the Secured Parties' reasonable request, placing the interest of the Secured Parties as lienholder on the certificate of title (or similar evidence of ownership) of any vehicle, watercraft or other Equipment constituting Collateral owned by the Company which is covered by a certificate of title (or similar evidence of ownership), (f) executing and delivering and causing the applicable depository institution, securities intermediary, commodity intermediary or issuer or nominated party under a letter of credit to execute and deliver a collateral control agreement with respect to each new Deposit Account, Securities Account or Commodity Account or Letter-of-Credit Right in or to which the Company has any right or interest in order to perfect the security interest created hereunder in favor of the Secured Parties (including giving such Secured Party "control" over such Collateral within the meaning of the applicable provisions of Article 8 and Article 9 of the UCC), (g) at a Secured Party's reasonable request, executing and delivering or causing to be delivered written notice to insurers of such Secured Party's security interest in, or claim in or under, any policy of insurance (including unearned premiums) and (g) at a Secured Party's reasonable request, using its best efforts to obtain acknowledgments from bailees having possession of any Collateral and waivers of liens from landlords and mortgagees of any location where any of the Collateral may from time to time be stored or located. The Company also hereby authorizes the Secured Parties to file any such financing or continuation statement (including "in lieu" continuation statements) without the signature of the Company. If any amount payable under or in connection with any of the Collateral is or shall become evidenced by any Instrument, such Instrument, other than checks and notes received in the ordinary course of business and any Instrument in the outstanding or stated amount of less than \$25,000, shall be duly endorsed in a manner reasonably satisfactory to the Secured Parties and delivered to the Secured Parties promptly and in any event within five (5) business days of the Company's receipt thereof.

7. Rights and Remedies Upon Default.

(a) Beginning on the date which is ten (10) business days after any Event of Default shall have occurred and while such Event of Default is continuing, the Secured Parties may exercise in addition to all other rights and remedies granted to it under this Agreement and under any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, the Company expressly agrees that in any such event Secured Party, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon the Company or any other person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the UCC and other applicable law), may (i) reclaim, take possession, recover, store, maintain, finish, repair, prepare for sale or lease, shop, advertise for sale or lease and sell or lease (in the manner provided herein) the Collateral, and in connection with the liquidation of the Collateral and collection of the accounts receivable pledged as Collateral, use any Trademark, Copyright, or process used or owned by the Company and (ii) forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and may forthwith sell, lease, assign, give an option or options to purchase or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of the Secured Party's offices or elsewhere at such prices as it may deem best, for cash or on credit or



for future delivery without assumption of any credit risk. To the extent the Company has the right to do so, the Company authorizes the Secured Parties, on the terms set forth in this Section 7 to enter the premises where the Collateral is located, to take possession of the Collateral, or any part of it, and to pay, purchase, contact, or compromise any encumbrance, charge, or lien which, in the opinion of the Secured Parties, appears to be prior or superior to its security interest. The Secured Parties shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of said Collateral so sold, free of any right or equity of redemption, which equity of redemption the Company hereby releases. The Company further agrees, at the Secured Parties' request, to assemble its Collateral and make it available to the Secured Parties at places which the Secured Parties shall reasonably select, whether at the Company's premises or elsewhere. The Secured Parties shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale as provided in Section 7(f), below, with the Company remaining liable for any deficiency remaining unpaid after such application, and only after so paying over such net proceeds and after the payment by the Secured Parties of any other amount required by any provision of law, need the Secured Parties to account for the surplus, if any, to the Company. To the maximum extent permitted by applicable law, the Company waives all claims, damages, and demands against the Secured Parties arising out of the repossession, retention or sale of the Collateral. The Company agrees that the Secured Parties need not give more than ten (10) days' notice of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. The Company shall remain liable for any deficiency if the proceeds of any sale or disposition of its Collateral are insufficient to pay all amounts to which the Secured Parties are entitled from the Company, the Company also being liable for the attorney costs of any attorneys employed by the Secured Parties to collect such deficiency.

(b) As to any Collateral constituting certificated securities or uncertificated securities, if, at any time when the Secured Parties shall determine to exercise its right to sell the whole or any part of such Collateral hereunder, such Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under Securities Act of 1933, as amended (as so amended the "1933 Act"), the Secured Parties may, in its sole discretion (subject only to applicable requirements of law), sell such Collateral or part thereof by private sale in such manner and under such circumstances as the Secured Parties may deem necessary or advisable, but subject to the other requirements of this Section 7(b), and shall not be required to effect such registration or cause the same to be effected. Without limiting the generality of the foregoing, in any such event the Secured Parties may, in its sole discretion, (i) in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Collateral or part thereof could be or shall have been filed under the 1933 Act; (ii) approach and negotiate with a single possible purchaser to effect such sale; and (iii) restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its own account, for investment, and not with a view to the distribution or sale of such Collateral or part thereof. In addition to a private sale as provided above in this Section 7(b), if any of such Collateral shall not be freely distributable to the public without registration under the 1933 Act at the time of any proposed sale hereunder, then the Secured Parties shall not be required to effect such registration or cause the same to be effected but may, in its sole discretion (subject only to applicable requirements of law), require that any sale hereunder (including a sale at auction) be conducted subject to such restrictions as

the Secured Parties may, in its sole discretion, deem necessary or appropriate in order that such sale (notwithstanding any failure so to register) may be effected in compliance with the Bankruptcy Code and other laws affecting the enforcement of creditors' rights and the 1933 Act and all applicable state securities laws.

(c) The Company agrees that in any sale of any of such Collateral, whether at a foreclosure sale or otherwise, the Secured Parties are hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications and restrict such prospective bidders and purchasers to persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral), or in order to obtain any required approval of the sale or of the purchaser by any governmental authority, and the Company further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Secured Parties be liable nor accountable to the Company for any discount allowed by the reason of the fact that such Collateral is sold in compliance with any such limitation or restriction.

(d) The Company also agrees to pay all fees, costs and expenses of the Secured Parties, including, without limitation, reasonable attorneys' fees, incurred in connection with the enforcement of any of its rights and remedies hereunder.

(e) The Company hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Agreement or any Collateral.

(f) The Proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be distributed by the Secured Parties in the following order of priorities:

*First*, to the Secured Parties in an amount sufficient to pay in full the reasonable costs of the Secured Parties in connection with such sale, disposition or other realization, including all fees, costs, expenses, liabilities and advances incurred or made by the Secured Parties in connection therewith, including, without limitation, reasonable attorneys' fees;

*Second*, to the Secured Parties in an amount equal to the then-unpaid Secured Obligations of each Secured Party; and

*Finally*, upon payment in full of the Secured Obligations of each Secured Party, to the Company or its representatives, in accordance with the UCC or as a court of competent jurisdiction may direct.

8. Indemnity. The Company agrees to defend, indemnify and hold harmless each Secured Party and its officers, partners, employees, members and agents against (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Agreement and (b) all losses or expenses in any way

suffered, incurred, or paid by such Secured Party as a result of or in any way arising out of, following or consequential to transactions between such Secured Party and the Company, whether under this Agreement or otherwise (including without limitation, reasonable attorneys fees and expenses), except for losses arising from or out of such Secured Party's gross negligence or willful misconduct.

9. Limitation on Secured Party's Duty in Respect of Collateral. The Secured Parties shall be deemed to have acted reasonably in the custody, preservation and disposition of any of the Collateral if it takes such action as the Company requests in writing, but failure of the Secured Parties to comply with any such request shall not in itself be deemed a failure to act reasonably, and no failure of such Secured Parties to do any act not so requested shall be deemed a failure to act reasonably.

10. Reinstatement. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against the Company for liquidation or reorganization, should the Company become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Company's property and assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

11. Miscellaneous.

(a) No Waiver; Cumulative Remedies. No failure or delay on the part of any party to this Agreement in exercising any right, power or remedy hereunder shall operate as a waiver thereof; nor shall 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 hereunder. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

(b) Amendments, Waivers and Consents. Notwithstanding any provision in this Agreement to the contrary, changes in or additions to this Agreement may be made, and compliance with any covenant or provision herein set forth may be omitted or waived only with the written consent of the Company and a majority of the Secured Parties.

(c) Termination. Subject to Section 10 hereof, this Agreement shall terminate upon the payment and performance in full of the Secured Obligations.

(d) Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Company and the Secured Parties and their respective successors and assigns. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Secured Obligations or any portion

thereof or interest therein shall in any manner affect the lien granted to the Secured Parties hereunder.

(e) Governing Law. This Note shall be construed in accordance with, and governed by, the laws of the State of Ohio.

(f) Jurisdiction, Etc. The Company hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any Ohio state court located in Hamilton County, Ohio or federal court of the United States of America sitting in the Southern District of Ohio (Western Division), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Security Agreement or any of the other related documents to which it is a party, or for recognition or enforcement of any judgment, and the Company hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such Ohio state court, or to the extent permitted by law, in such federal court. The Company agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Secured Parties may otherwise have to bring any action or proceeding relating to this Agreement or any of the other related documents in the courts of any jurisdiction.

(g) Waiver of Jury Trial. THE COMPANY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER RELATED DOCUMENTS OR THE ACTIONS OF THE SECURED PARTIES IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

(h) Notices. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth in the Purchase Agreement or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission, (iii) sent by overnight courier, or (iv) certified mail, return receipt requested, postage prepaid. All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier for next day delivery, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by certified mail, on the fifth business day following such mailing is made.

(i) The Company and the Secured Parties acknowledge and agree that the obligations and liabilities of the Company, and the rights and privileges of the Secured Parties hereunder, are subject to the Subordination Agreement dated the date hereof among the Secured Parties, Silicon Valley Bank and the Company and such other documents and agreements relating to the Senior Debt (as defined in such Subordination Agreement) (the "*Senior Debt Documents*"). To the extent, by virtue of compliance with the Senior Debt documents, the Company is unable to comply with any requirement of this Agreement, including any of the

covenants or undertakings under Section 6.10, such failure to comply shall not give rise to the occurrence of an Event of Default.

(j) Entire Agreement. This Agreement and the agreements referenced herein constitute the entire agreement between the parties relating to the subject matter hereof and supersedes any other prior understandings or agreements concerning the subject matter hereof.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement on the date first above written.

SPOTLIGHT SOLUTIONS, INC.

By: Nicholas P. Garpino  
Name: NICHOLAS P. GARPINO  
Title: CFO

BLUE CHIP CAPITAL FUND III LIMITED PARTNERSHIP

By: Blue Chip Venture Company, Ltd.  
its General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

VENROCK ASSOCIATES,  
by a General Partner

VENROCK ASSOCIATES III, L.P.,  
by its General Partner, Venrock Management III LLC

By: \_\_\_\_\_  
As a General Partner or Member

BRAND EQUITY VENTURES I, L.P.  
By: Brand Equity Partners I, L.L.C.  
Its General Partner

By: \_\_\_\_\_  
David Yarnell, Member

BRAND EQUITY VENTURES II, L.P.  
By: Brand Equity Partners II, L.L.C.  
Its General Partner

By: \_\_\_\_\_  
David Yarnell, Member


IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement on the date first above written.

SPOTLIGHT SOLUTIONS, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BLUE CHIP CAPITAL FUND III LIMITED PARTNERSHIP

By: Blue Chip Venture Company, Ltd.  
its General Partner

By:   
Name: Todd Gardner  
Title: Director

VENROCK ASSOCIATES,  
by a General Partner

VENROCK ASSOCIATES III, L.P.,  
by its General Partner, Venrock Management III LLC

By: \_\_\_\_\_  
As a General Partner or Member

BRAND EQUITY VENTURES I, L.P.

By: Brand Equity Partners I, L.L.C.  
Its General Partner

By: \_\_\_\_\_  
David Yarnell, Member

BRAND EQUITY VENTURES II, L.P.

By: Brand Equity Partners II, L.L.C.  
Its General Partner

By: \_\_\_\_\_  
David Yarnell, Member

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement on the date first above written.

SPOTLIGHT SOLUTIONS, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BLUE CHIP CAPITAL FUND III LIMITED PARTNERSHIP

By: Blue Chip Venture Company, Ltd.  
its General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

VENROCK ASSOCIATES,  
by a General Partner

VENROCK ASSOCIATES III, L.P.,  
by its General Partner, Venrock Management III LLC

By: Michael C. Brooks  
Michael C. Brooks  
As a General Partner or Member

BRAND EQUITY VENTURES I, L.P.

By: Brand Equity Partners I, L.L.C.  
Its General Partner

By: \_\_\_\_\_  
David Yarnell, Member

BRAND EQUITY VENTURES II, L.P.

By: Brand Equity Partners II, L.L.C.  
Its General Partner

By: \_\_\_\_\_  
David Yarnell, Member



IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement on the date first above written.

SPOTLIGHT SOLUTIONS, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BLUE CHIP CAPITAL FUND III LIMITED PARTNERSHIP

By: Blue Chip Venture Company, Ltd.  
its General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

VENROCK ASSOCIATES,  
by a General Partner

VENROCK ASSOCIATES III, L.P.,  
by its General Partner, Venrock Management III LLC

By: \_\_\_\_\_  
As a General Partner or Member

BRAND EQUITY VENTURES I, L.P.  
By: Brand Equity Partners I, L.L.C.  
Its General Partner


By: David Yarnell  
David Yarnell, Member

BRAND EQUITY VENTURES II, L.P.  
By: Brand Equity Partners II, L.L.C.  
Its General Partner

By: David Yarnell  
David Yarnell, Member

**CASTELLINI MANAGEMENT COMPANY,  
LIMITED PARTNERSHIP**

By: its General Partner, Robert H. Castellini  
Holding Company, Inc.

By:   
Christopher L. Fister, Secretary

---

Stephen E. Kaufmann

CASTELLINI MANAGEMENT COMPANY,  
LIMITED PARTNERSHIP

By: its General Partner, Robert H. Castellini  
Holding Company, Inc.

By: \_\_\_\_\_


  
\_\_\_\_\_  
Stephen E. Kaufmann

EXHIBIT A

## Copyrights

Spotlight has not registered the copyrights in its software, user interfaces, database design, documentation or user manuals, but is the copyright owner of such materials as listed in further detail below:

1. Promotional Markdown Advisor
  2. Permanent Markdown Advisor – V 3.2
  3. Retail Advisor Service Packages
  4. Retail Advisor
  - 5.
  6. Design and content of [www.spotlightsolutions.com](http://www.spotlightsolutions.com) web site
- All user manuals, documentation, and database designs associated with the foregoing.

EXHIBIT B

## Patents

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
None		
Provisional Patent Application Entitled "Methods and Systems for Automating and Optimizing Price Markdowns"	Serial No. 60/477,537	June 9, 2003

EXHIBIT C

## Trademarks

TRADEMARK	SERIAL NO./ REGISTRATION NO.	FILING DATE/ REGISTRATION DATE	STATUS
Markdown Optimizer	76/241,734 / 2,701,538	04/16/2001 / 03/25/2003	Registered
Rapid Results	76/501,901 / N/A	03/27/2003 / N/A	Pending
Rapid Results	76/241,472 / N/A	04/16/2001 / N/A	Abandoned
Retail Advisor & Design	76/503,897 / N/A	04/04/2003 / N/A	Pending
Spotlight	76/241,847 / 2,668,174	04/17/2001 / 12/31/2002	Registered
Spotlight & Design	76/242,283 / N/A	04/17/2001 / N/A	Pending
Software for Brighter Retail Decisions	N/A	N/A	Common Law
Promotional Markdown Advisor	N/A	N/A	Common Law
Permanent Markdown Advisor	N/A	N/A	Common Law
Retail Advisor Service Packages	N/A	N/A	Common Law
Spotlight Retail Advisor	N/A	N/A	Common Law
Triple Option	N/A	N/A	Common Law
<u>www.spotlightsolutions.com</u> (Domain Name)	N/A	N/A	Registered with Network Solutions on March 16, 1999 – Registered until March 16, 2005

EXHIBIT D

Mask Works

Description

Registration/  
Application  
Number

Registration/  
Application  
Date

N/A

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