

05-20-2003

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

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

Tab settings

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

1. Name of conveying party(ies): 5-20-03 SYSDINE TECHNOLOGIES, LLC

- Individual(s) Association General Partnership Limited Partnership Corporation-State Other Tennessee limited liability co

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

- Nature of conveyance: Assignment Merger Security Agreement Change of Name Other

Execution Date:

2. Name and address of receiving party(ies) Name: AMSOUTH BANK Internal c/o William B. Bell Address: Street Address: 415 Broad Street City: Kingsport State: TN Zip: 37660

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

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

A. Trademark Application No.(s) Serial No. 78009448

B. Trademark Registration No.(s) Registration No. 2667269

Additional number(s) attached Yes No

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

Name: Edward T. Brading Internal Address: Herndon Coleman Brading & McKee

Street Address: 104 E. Main Street City: Johnson City State: TN Zip: 37604

6. Total number of applications and registrations involved: 2

7. Total fee (37 CFR 3.41): \$65.00 Enclosed Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Edward T. Brading

Signature

MARCH 31, 2003 Date

Name of Person Signing

Signature

Date

Total number of pages including cover sheet, attachments, and document: 7

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01 FC:8521 02 FC:8522

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

TRADEMARK REEL: 002735 FRAME: 0342

SECURITY AGREEMENT

DEBTOR:

SYSDINE TECHNOLOGIES, LLC
3201 Hanover Road
Johnson City, TN 37604

SECURED PARTY:

AMSOUTH BANK
415 Broad Street
Kingsport, TN 37660

1. Parties, Collateral and Obligation Secured. SYSDINE TECHNOLOGIES, LLC, a Tennessee limited liability company ("Debtor"), for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, grants to AMSOUTH BANK ("Secured Party") a security interest in, and jointly and severally assign to Secured Party, the following (hereinafter sometimes called the "Collateral"):

All right, title, and interest in the following described property, both presently existing and hereafter acquired or arising:

- (a) SYSDINE: computer software in the field of restaurant management.
- (b) All accounts; inventory; chattel paper, including but not limited to both tangible and electronic chattel paper; general intangibles; payment intangibles; computer programs; and software, as such types of collateral may be defined in the Uniform Commercial Code.
- (c) All products and proceeds (including but not limited to insurance proceeds) of any and all of the foregoing.
- (d) All files, ledgers, books of account, records (including without limitation computer programs, tapes and related electronic data processing software), and writings relating to any and all of the foregoing.

The security interest granted herein secures (a) the payment of any and all sums advanced pursuant to a certain Promissory Note in the principal amount of **TWO HUNDRED THOUSAND AND 00/100 (\$200,000.00) DOLLARS** dated May 15, 2002, executed by Silver Creek Technologies, LLC to Secured Party, plus interest and other charges as provided therein, and all extensions, renewals and modifications thereof ("Note"), (b) the payment and performance of the limited guaranties executed in connection therewith by Larry A. Munsey and Eugene P. Maddox, (c) the payment and performance of the Guaranty executed in connection herewith by Debtor, (d) all sums advanced hereafter by Secured Party to Debtor regardless of the type, class or purpose of any such advances, (e) all other indebtedness of Debtor to Secured Party, whether now in existence or hereafter arising, and (f) the performance of all obligations of Debtor under this Agreement, the Note, the Loan Agreement dated May 15, 2002 between Silver Creek Technologies, LLC and Secured Party, or any other instrument evidencing or securing all or any part of the indebtedness secured hereunder, all of which are herein collectively referred to as the "Indebtedness."

2. Debtor's Duties, Representations, Warranties and Covenants. Debtor hereby warrants, covenants and agrees, that until the Note has been paid in full, or unless the Secured Party specifically waives in writing the duties specified herein, Debtor shall:

(a) Keep the Collateral free from any adverse lien, security interest or encumbrance.

(b) If such insurance is obtainable, maintain hazard and liability insurance at all times with respect to the Collateral against risks of fire, theft and other casualty loss. In addition, Debtor shall list Secured Party as the holder of a security interest, or as a mortgagee, on such policy or policies of insurance, and shall, upon request, furnish to Secured Party evidence of such coverage.

(c) Neither sell, lend, rent, mortgage, pledge nor otherwise transfer or encumber the Collateral, or any interest therein, except in the ordinary course of business.

(d) With respect to Collateral that is personal property, properly house the Collateral at the location for which it was purchased, and maintain the Collateral in good repair, free from all claims, taxes and liens.

(e) Take no action that would impair the enforceability of Secured Party's interest in the Collateral.

(f) Pay all costs, expenses and disbursements reasonably incurred by Secured Party in protecting its security interest in the Collateral.

(g) At Secured Party's request, agree to execute, or join in executing, all necessary financing statements covering the Collateral in form satisfactory to the Secured Party, and pay the cost of filing such statements and all applicable taxes upon such filings.

(h) Promptly notify Secured Party in writing of any material adverse change in Debtor's financial condition, business or affairs.

Debtor further covenants and warrants as follows:

(a) Debtor's principal place of business is at the address appearing above. Debtor will notify Secured Party promptly in writing of any change in the location of Debtor's principal place of business, or the establishment of any new place of business.

(b) Debtor is the owner of the Collateral free from any adverse lien, security interest, or encumbrance, except as disclosed. Debtor will defend the Collateral against all claims and demands of any persons at any time claiming the same or any interest therein. Debtor acknowledges that the Collateral is encumbered by a prior security interest in favor of Secured Party granted by Silver Creek Technologies, LLC and others.

(c) Secured Party, or any of its agents, shall have the right to call at Debtor's place or places of business, at such times as Secured Party may determine, to inspect, audit, check, or makes extracts from the books, records, journals, orders, receipts, correspondence, or other data relating to the Collateral, or to any other transactions of Debtor.

(d) No financing statement covering any of the Collateral, or any proceeds therefrom, is of record in any public office, except for a prior security interest in favor of Secured Party granted by Silver Creek Technologies, LLC and others.

(e) There is no litigation or governmental or administrative proceeding pending against Debtor, or any constituent person or entity of Debtor, or, to the best of Debtor's

knowledge, threatened, that, if adversely decided to Debtor, would have a material effect upon Debtor's financial condition or that of any constituent thereof, or any guarantors or sureties for all or any part of the indebtedness secured hereby.

(f) Debtor has no federal, state, or local tax liability, other than for the current year. Debtor shall furnish Secured Party such financial information and statements, both audited and unaudited, as Secured Party may request from time to time.

(g) Neither the execution nor delivery of this instrument by Debtor will constitute a default under any agreement or other instrument to which Debtor is a party.

3. Default. Until default, Debtor may have possession of, or the right to use and ownership of, the Collateral, and may receive payments due under the Collateral, and use such in any lawsuit manner not inconsistent with this Agreement. Debtor shall be in default under this Agreement upon the occurrence of any of the following:

(a) Default in the payment or performance of the Indebtedness or any obligation, indebtedness, covenant or liability contained or referred to in this Agreement, or in any other instrument or document evidencing or securing all or any part of the indebtedness secured herein, or in any extensions, modifications or renewals thereof.

(b) The making of any warranty, representation or statement to Secured Party which proves to be false in any material respect.

(c) The uninsured loss, theft, damage, destruction, sale or encumbrance of the Collateral, other than in the ordinary course of business, or any part or item thereof, or the making of any levy, seizure or attachment thereof or thereon.

(d) The death, mental incapacity, dissolution, insolvency, business failure, appointment of a receiver for any part of the property of, assignment for the benefit of creditors, or the commencement of any proceedings under any bankruptcy or insolvency law by or against Debtor, any constituent thereof, or any guarantor or surety for the Debtor.

(e) The permitting of any judgment against Debtor to remain unsatisfied or unbonded for more than thirty (30) days.

4. Remedies of Secured Party. At the option of Secured Party, upon the occurrence of any default as specified in Section 3 above, and at any time thereafter, all indebtedness secured hereby shall become immediately due and payable without presentment, demand or notice to Debtor or any other person obligated thereon, and Secured Party may exercise all the rights and remedies of a secured party under the Uniform Commercial Code of Tennessee, or that of such other state in which the Collateral may be located.

If notice of public or private sale or other disposition of any of the Collateral is required under applicable law, Secured Party will give Debtor reasonable notice thereof. Secured Party's requirement of reasonable notice shall be met if such notice is hand-delivered, delivered by courier, send postage prepaid either by first class United States mail or by certified or registered mail, return receipt requested, or sent by telegram, charged prepaid, to Debtor at the address provided herein at least five (5) days before the time of such sale or disposition. The proceeds of any sale shall be applied toward the costs and expenses thereby incurred by Secured Party and toward payment of the Indebtedness or any other indebtedness secured hereby. The costs and expenses for which Debtor shall be liable include the expenses of retaking, holding, preparing for

sale, and selling of any of the Collateral, and Secured Party's reasonable attorney's fees and legal expenses relating thereto.

In the event any action at law or in equity is commenced affecting the Collateral or Secured Party's interest therein, including but not limited to any bankruptcy or insolvency proceeding, then Secured Party may take such action and disburse such sums as Secured Party deems necessary to protect its interest, including but not limited to the payment of attorneys' fees. Any sums so advanced, with interest thereon, shall become additional indebtedness secured hereby.

5. Secured Party's Rights with Respect to the Collateral. Secured Party shall have all the rights of a secured party under the Uniform Commercial Code of Tennessee, or that of such other state in which the Collateral may be located, in the Collateral, and, in addition, shall have all the rights specified herein.

Upon the failure of Debtor to pay all taxes, charges, transfer fees and assessments against the Collateral and to do all things necessary to preserve and maintain the value of the Collateral, Secured Party, in its discretion, and after giving Debtor written notice of its intention to do so, may make any such payments and advance any such sums. Debtor agrees to reimburse Secured Party immediately upon demand for all such payments and advances, repayment of which is secured by this Agreement.

Notwithstanding the foregoing, Secured Party shall be under no duty to collect any amount due on the Collateral, to realize on the Collateral, to keep the Collateral insured, to make any presentment, demand or notice of protest in connection with the Collateral, or to perform any other act relating to the enforcement, collection or protection of the Collateral.

6. Secured Party's Authority. Debtor hereby irrevocably appoints Secured Party as Debtor's true and lawful attorney-in-fact with full power of substitution, in Secured Party's name or Debtor's name or otherwise, for the Secured Party's sole use and benefit, at Debtor's cost and expense, to exercise the following powers with respect to the Collateral;

(a) To demand, sue for collection, receive, and give acquittance for any and all monies due or owing with respect to the Collateral.

(b) To receive, take, endorse, assign, and deliver any checks, notes, drafts, documents or other instruments taken or received by Secured Party in connection with the Collateral.

(c) To reasonably settle, compromise, prosecute, or defend any action or proceeding with respect to the Collateral.

(d) To sell, transfer, assign or otherwise deal in or with the Collateral or the proceeds thereof as fully as if Secured Party were the absolute owner thereof.

(e) To file any and all financing statements, whether UCC-1s or otherwise, with the Tennessee Secretary of State or with any other authority, including but not limited to the United States Patent & Trademark Office and the United States Copyright Office, in order to perfect Secured Party's interest in the collateral, and, if necessary, to sign Debtor's name to such financing statements in order to accomplish such filing.

7. Representations and Warranties. All statements contained in any certificate or other instrument delivered by or on behalf of Debtor pursuant to this Agreement or in connection

with the transactions contemplated hereby shall be deemed representations and warranties by Debtor hereunder.

8. Agreement Not Exclusive Remedy. This Agreement shall not prejudice the right of Secured Party at its option to enforce the collection of the Indebtedness or any other instrument executed in connection with this transaction by suit, or in any other lawful manner. No right or remedy is intended to be exclusive of any other right or remedy, but each such right or remedy shall be cumulative to every other right or remedy herein or conferred in any other documents executed in this transaction, or now or hereafter existing at law or in equity.

9. Non-Waiver. No waiver by Secured Party of any default shall operate as a waiver of any other default, or of the same default on a future occasion.

10. Severability. Every provision of this Agreement is intended to be severable. If any item or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of this Agreement.

11. Applicable Law. Except as otherwise expressly provided herein, this Agreement shall be construed and regulated in all respects by the law of the State of Tennessee.

12. Binding Effect. This Security Agreement shall be binding upon and inure to the benefit of the heirs, representatives, successors and assigns of the parties hereto.

13. Entire Agreement. The entire agreement between the parties hereto is contained in this Agreement and any other instruments or documents executed in connection with this transaction. Any amendment to this Agreement must be in writing signed by the parties hereto in order to be binding.

14. Captions. Captions contained in this instrument are for convenience only, and shall not be construed as defining, limiting, or extending the scope of this instrument, or any provision thereof.

15. Notices. Except as specifically allowed otherwise by this Agreement, any notice required or permitted hereunder shall be hand-delivered or sent by United States mail, certified or registered, return receipt requested, as follows:

If to Debtor:

Sysdine Technologies, LLC
3201 Hanover Road
Johnson City, TN 37604
Attn.: Eugene P. Maddox

or if to Secured Party:

AmSouth Bank
415 Broad Street
Kingsport, TN 37660
Attn.: Gerald Hallenbeck, Senior Vice President

or to such other address as either party may later designate in writing.

16. Corporate Capacity. Debtor warrants that its execution of and performance under this Agreement and all related documents are permitted under and will not violate any provision of its articles of organization or operating agreement. Debtor further warrants that the execution of all necessary resolutions and other prerequisites of corporate action have been duly performed

so that each individual executing this Agreement and related documents on behalf of Debtor is duly authorized to bind Debtor with such individual's signature. By signing below on behalf of Debtor, each individual executing this Agreement also personally makes the warranties set forth in the preceding sentence.

IN WITNESS WHEREOF, this Security Agreement has been executed as of the 31st day of March, 2003.

DEBTOR:

SYSDINE TECHNOLOGIES, LLC, a Tennessee limited liability company

By: *Eugene P. Maddox*
Eugene P. Maddox, Chief Manager

By: *Vickie D. Hodges*
Vickie D. Hodges, Secretary

SECURED PARTY:

AMSOUTH BANK

By: *Gerald Hallenbeck, SVP of Operations EYB*
Gerald Hallenbeck
Senior Vice President