

FORM PTO-1594
(Rev. 6-93)

RECORDATION FORM COVER SHEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

OMB No. 0651-0011 (exp. 4/94)
Tab settings

TRADEMARKS ONLY

KAL

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

1. Name of conveying party(ies):

RedPrairie Corporation

- Individual(s)
- General Partnership
- Corporation-Delaware
- Other
- Association
- Limited Partnership

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

2. Name and address of receiving party(ies)

Name: LaSalle Bank National Association

Internal Address:

Street Address: 411 East Wisconsin Avenue

City: Milwaukee State: WI Zip: 53202

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Other National Banking Association
- 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
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: February 10, 2004

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

A. Trademark Application No.(s)

76/400,028 76/527,816

B. Trademark Registration No.(s)

2,536,664 2,514,489 2,699,585
2,649,039 2,766,208

Additional numbers attached? Yes No

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

Name: Kent A. Lee, Esq.

Address: Reinhart Boerner Van Deuren s.c.
1000 North Water Street, Suite 2100
Milwaukee, WI 53202

6. Total number of applications and registrations involved:..... 7

7. Total fee (37 CFR 3.41) \$190.00

- Enclosed
- Authorized to be charged to deposit account
- Any Deficiencies in Enclosed Fee should be charged to our Deposit Account.

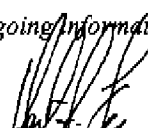
8. Deposit account number: 18-0882
(Attach duplicate copy of this page if paying by deposit account)

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.

Kent A. Lee
Name of Person Signing


Signature

May 6, 2004
Date

Total number of pages including cover sheet, attachments, and document: [24]

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

CH \$190.00 180882 76400028

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of February 10, 2004, is from REDPRAIRIE CORPORATION, a Delaware corporation (the "Company"), to and for the benefit of LASALLE BANK NATIONAL ASSOCIATION (the "Secured Party").

RECITALS

The Company acknowledges the following:

A. Pursuant to a Credit Agreement dated as of the date hereof (such agreement, as amended, revised, supplemented or restated from time to time, the "Credit Agreement") between the Company and the Secured Party, the Secured Party has agreed to make certain financial accommodations available to the Company, on the terms and subject to the conditions set forth in the Credit Agreement.

B. The Company and the Secured Party may from time to time enter into Permitted Swap Agreements.

C. The Secured Party requires, as a condition of entering into such transactions with the Company, that the Company shall have granted the security interests and undertaken the obligations contemplated by this Agreement.

AGREEMENTS

In consideration of the Recitals and to induce the Secured Party to make financial accommodations available to and to enter into Permitted Swap Agreements with, the Company, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company hereby agrees with the Secured Party as follows:

1. Definitions. Capitalized terms not defined herein have the meanings ascribed to them in the Credit Agreement. As used in this Agreement, the following terms have the following meanings:

"Accounts" means "Accounts", including health-care-insurance receivables, as defined in the Wisconsin Uniform Commercial Code as in effect from time to time.

"Chattel Paper" means a record or records that evidence both a monetary obligation owed to the Company and a security interest in or lease of specific goods.

"Collateral" means all of the Company's right, title and interest in and to the following, whether now owned and existing or hereafter created or acquired, wherever located, together with all additions and accessions and all proceeds and products thereof: all Accounts, Chattel Paper, Instruments, Investment Property, Equipment, Inventory, General Intangibles, Deposit Accounts, documents, letter of credit rights, any supporting obligations relating to the foregoing, any insurance coverage relating to the foregoing and all books and records of the Company pertaining to any of the foregoing; provided, however, that "Collateral" shall not include any General Intangible or other rights arising under contracts to the extent the grant of a security interest to the Secured Party would violate a valid and enforceable restriction on such grant.

"Copyrights" means the copyrights, whether statutory or common law, registered or unregistered, and copyright applications now or hereafter owned by the Company, including without limitation those copyrights, copyright registrations and copyright applications listed in Exhibit C, and (a) all renewals and extensions thereof, (b) all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including without limitations payments under all Licenses (including without limitation the Licenses listed in Exhibit C) entered into connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof and (d) copyrights, copyright registrations and copyright applications and any other rights corresponding thereto throughout the world.

"Deposit Account" means a demand, time, savings, passbook, or similar account maintained with a bank, savings and loan association, savings bank, credit union or trust company, but excluding investment property and any account evidenced by an instrument.

"Equipment" means all machinery, equipment and fixtures owned by the Company and, to the extent legally assignable and permitted under the lease or other applicable agreement, all leases and agreements for use of machinery, equipment and fixtures leased by the Company, and all modifications, alterations, repairs, substitutions and replacements thereof or thereto.

"Event of Default" means the occurrence of any of the following: (a) an "Event of Default" under the Credit Agreement, (b) any representation made by the Company in this Agreement is false in any material

respect on the date as of which made or as of which the same is to be effective or (c) the Company fails to timely comply with any of its obligations under this Agreement and such failure continues uncured for a period of 30 days.

"General Intangibles" means any personal property owned by the Company (other than Accounts, Chattel Paper, Instruments, Investment Property, Equipment, Inventory, Deposit Accounts, documents or letter of credit rights) including, but not limited to, causes of action, contract rights, payment intangibles, rights to insurance claims and proceeds, tax refunds, claims for tax refunds, rights of indemnification, contribution and subrogation, partnership interests and limited liability company membership interests, software and all Intellectual Property.

"Instrument" means a negotiable instrument owned by the Company or any other writing owned by the Company which evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease and is of a type that in the ordinary course of business is transferred by delivery with any necessary indorsement or assignment.

"Intellectual Property" means the Patents, Copyrights, Trademarks, Trade Secrets and Licenses.

"Inventory" means all of the Company's inventory, including all goods held for sale, lease or demonstration or to be furnished under contracts of service, all goods leased to others, trade-ins and repossessions, raw materials, work in process and materials or supplies used or consumed in the Company's business.

"Investment Property" means "Investment Property" as defined in Wisconsin Statutes section 409.102(m) or any replacement section thereof.

"Licenses" means license agreements with any other Person with respect to a patent, patent application, trademark, trademark registration, trademark application, copyright or copyright application whether the Company is a licensor or licensee under any such license agreement, including without limitation the license agreements listed in Exhibit C and (a) all renewals, extensions, supplements and continuations thereof, (b) income, royalties, damages and payments now or hereafter due and/or payable to the Company with respect thereto and damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof and (d) all other rights corresponding thereto throughout the world.

"Patents" means the patents and patent applications, and the inventions and improvements described and claimed therein now or hereafter owned by the Company, including without limitation those patents and patent applications listed in Exhibit C, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including without limitation, payments under all Licenses (including without limitation the Licenses listed in Exhibit C) entered into in connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof and (d) patents, patent applications and any other rights corresponding thereto throughout the world.

"Secured Obligations" means (a) all Obligations owed by the Company to the Secured Party, including Obligations arising pursuant to Permitted Swap Agreements and (b) all other present and future debts, obligations and liabilities of every nature now or hereafter owed by the Company to the Secured Party.

"Trademarks" means trademarks (including trade names and service marks), trademark registrations and trademark applications now or hereafter owned by the Company, including without limitation those trademarks and trademark applications listed on Exhibit C, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including without limitation payments under all Licenses (including without limitation the Licenses listed in Exhibit C) entered into in connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements and dilutions thereof, (d) trademarks, trademark registrations, trademark applications and any other rights corresponding thereto throughout the world and (e) all of the goodwill of the Company's business connected with and symbolized by the foregoing.

"Trade Secrets" means common law and statutory trade secrets and all other confidential or proprietary or useful information and all know-how obtained by or used in or contemplated at any time for use in the business of the Company, whether or not such trade secret has been reduced to a writing or other tangible form, including all documents embodying, incorporating or referring in any way to such trade secret, all trade secret licenses including each trade secret license described in Exhibit C attached hereto, and including the right to sue for and to enjoin in to collect damages for the actual or threatened misappropriation of any trade secret and for the breach or enforcement of any such trade secret license.

2. Grant of Security Interest. The Company grants the Secured Party a security interest in the Collateral, whether now owned or hereafter created or acquired, to secure the payment and performance of the Secured Obligations, whether voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred (including the payment of amounts that would become due but for the operation of the automatic stay under Section 362 of the United States Bankruptcy Code, or otherwise), and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from the Secured Party as a preference, fraudulent transfer or otherwise.

3. Representations and Warranties of the Company. The Company represents and warrants to the Secured Party that:

(a) The Company owns or has rights in (and, in the case of after-acquired property, will own or have rights in) or has the power to transfer the Collateral, and its title to the Collateral is free of all liens or encumbrances other than Permitted Liens and no financing statement (other than those in favor of the Secured Party and the holders of Permitted Liens) is on file covering any of the Collateral.

(b) Each Account and Chattel Paper constituting Collateral as of this date arose from the performance of services by the Company, from a bonafide sale or lease of goods which have been delivered or shipped to the account debtor, or is a "prebilling" in accordance with the Company's ordinary business practices, and for which the Company has genuine invoices, shipping documents or receipts.

(c) Each Account and Chattel Paper constituting Collateral is genuine and enforceable against the account debtor according to its terms and complies in all material respects with all applicable laws and regulations. Other than as disclosed in writing to the Secured Party, there has been no default under the terms of any Collateral with a value in excess of \$100,000 and the Company has taken no action to foreclose any security interest in favor of the Company or otherwise enforce the payment of the amount due.

(d) The Company's jurisdiction of incorporation is the State of Delaware. The Company's place of business or, if more than one, its chief executive office, and the place where the Company keeps its records concerning Accounts and all originals of Chattel Paper, is 20700 Swenson Drive, Waukesha,

Wisconsin 53186. All Equipment and Inventory is located at the locations set forth in Exhibit A attached hereto.

(e) Exhibit B contains the description of all real estate to which any Collateral is affixed.

(f) Exhibit C attached hereto contains a correct and complete list and description of all Intellectual Property owned by the Company. With respect to any Intellectual Property the loss, impairment or infringement of which might have a Material Adverse Effect:

(i) The Intellectual Property is subsisting and has not been adjudged invalid or unenforceable, in whole or in part;

(ii) The Intellectual Property is valid and enforceable;

(iii) The Company has made all necessary filings and recordations to protect its interests in such Intellectual Property, including without limitation, recordation of all of its interests in the Patents and Trademarks in the United States Patent and Trademark Office and in corresponding offices throughout the world and its claim to the Copyrights in the United States Copyright Office and in corresponding offices throughout the world;

(iv) The Company is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to such Intellectual Property, free and clear of any liens, charges and encumbrances, including pledges, assignments, licenses, shop rights and covenants by the Company not to sue third persons, excluding Licenses entered into in the ordinary course of business on arm's length terms;

(v) No claim has been made that the use of such Intellectual Property does or may violate the asserted rights of any third party; and

(vi) The Company has performed and will continue to perform all acts and has paid and will continue to pay all required fees and taxes to maintain each and every item of Intellectual Property in full force and effect throughout the world.

The Company owns directly, or is entitled to use by license or otherwise, all Intellectual Property necessary for or of importance to the conduct of the Company's business.

(g) The representations and warranties contained in this section 3 shall be true and correct in all material respects on and as of the date hereof and on each Borrowing Date.

4. Company Remains Liable. Anything contained herein to the contrary notwithstanding, (a) the Company shall remain liable under any contracts and agreements included in the Collateral, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Secured Party of any of its rights hereunder shall not release the Company from any of its duties or obligations under the contracts and agreements included in the Collateral, and (c) the Secured Party shall not have any obligation or liability under any contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Secured Party be obligated to perform any of the obligations or duties of the Company thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

5. Further Assurances.

(a) The Company agrees that from time to time, at the expense of the Company, the Company will promptly execute and deliver all further instruments and documents, and take all further action, that may be reasonably necessary or desirable, in the judgment of the Secured Party, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Company will: (i) mark conspicuously each item of Chattel Paper and, at the reasonable request of the Secured Party, each of its records pertaining to the Collateral, with a legend, in form and substance satisfactory to the Secured Party, indicating that such Collateral is subject to the security interest granted hereby, (ii) at the reasonable request of the Secured Party, deliver and pledge to the Secured Party hereunder all Instruments and all original counterparts of Chattel Paper constituting Collateral, duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Secured Party, (iii) at the reasonable request of the Secured Party, cooperate with the Secured Party in obtaining a control agreement in form and substance satisfactory to the Secured Party with respect to Collateral consisting of Investment Property, Deposit Accounts, letter of credit rights and electronic Chattel Paper, (iv) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be reasonably necessary or desirable, in the judgment of the Secured Party, in order to perfect and preserve the security interests granted or purported to be granted hereby, (v) at any reasonable time and

upon reasonable notice, upon request by the Secured Party, exhibit the Collateral to and allow inspection of the Collateral by the Secured Party and (vi) at the reasonable request of the Secured Party, appear in and defend any action or proceeding that may affect the Company's title to or the Secured Party's security interest in all or any part of the Collateral.

(b) The Company hereby authorizes the Secured Party to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral. The Company further authorizes the Secured Party's use in any such financing statements of generic descriptions of collateral such as "all personal property" or "all assets".

(c) The Company will furnish to the Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party may reasonably request, all in reasonable detail.

6. Certain Covenants of the Company. The Company shall:

(a) not use or permit any Collateral to be used unlawfully or in violation of any provision of this Agreement or any applicable statute, regulation or ordinance or any policy of insurance covering the Collateral, except where such violation would not reasonably be expected to have a Material Adverse Effect;

(b) notify the Secured Party of any change in the Company's name, identity, organizational structure or state of incorporation at least 30 days prior to such change;

(c) give the Secured Party at least 30 days' prior written notice of any change in the Company's chief place of business, chief executive office or the office where the Company keeps its records regarding the Accounts and all originals of all Chattel Paper;

(d) if the Secured Party gives value to enable the Company to acquire rights in or the use of any Collateral, use such value for such purposes;

(e) pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Collateral, except to the extent the validity thereof is being contested in good faith; and

7. Special Covenants With Respect to Equipment and Inventory.

The Company shall:

(a) keep the Equipment and Inventory, if any, at the places therefor specified on Exhibit A annexed hereto or, upon 30 days' prior written notice to the Secured Party, at such other places in jurisdictions where all action that may be reasonably necessary or desirable, in the judgment of the Secured Party, in order to perfect and protect any security interest granted or purported to be granted hereby, or to enable the Secured Party to exercise and enforce its rights and remedies hereunder, with respect to such Equipment and Inventory shall have been taken;

(b) cause the Equipment necessary in the Company's operations to be maintained and preserved in the same condition, repair and working order as when new, ordinary wear and tear excepted, and in accordance with the Company's past practices, and make or cause to be made all repairs, replacements and other improvements in connection therewith that are necessary or desirable to such end. The Company shall promptly furnish to the Secured Party a statement respecting any loss or damage in an amount exceeding \$100,000 to any of the Equipment; and

(c) keep correct and accurate records of the Inventory, if any, itemizing and describing the kind, type and quantity of Inventory, the Company's cost therefor and (where applicable) the current list prices for the Inventory.

8. Insurance. The Company shall, at its own expense, maintain insurance with respect to the Equipment and Inventory, if any, against loss by fire, extended coverage perils and such other hazards as the Secured Party shall reasonably require, in amounts not less than the replacement cost of such Equipment and Inventory with reasonable deductible amounts. All insurance policies shall be issued by an insurance company or companies reasonably acceptable to the Secured Party.

The Company shall cause the issuer of each insurance policy to issue a certificate of insurance naming the Secured Party as an additional insured, lender's loss payee and mortgagee and containing an agreement by the insurer that the policy shall not be terminated or modified without at least 30 days' prior written notice to the Secured Party, and the Company shall deliver each such certificate to the Secured Party. In the event of any loss or casualty in excess of \$100,000 which is covered by insurance, the Company shall give immediate notice of such loss or casualty to the Secured Party and the Company grants to the

Secured Party the right to make proof of such loss or damage if the Company fails to promptly provide such proof to the Issuer of the insurance policy. If an Event of Default has occurred and is continuing, the Secured Party is authorized and empowered by and on behalf of the Company to settle, adjust or compromise any claims for loss, damage or destruction under any such insurance policy.

If no Default or Event of Default exists, the insurance proceeds from a loss, not in excess of \$500,000 (the "Floor Amount"), shall be paid to the Company and used, at the option of the Company, to either repay the Secured Obligations or to repair or replace the damaged property with respect to which such proceeds were received. If the loss exceeds the Floor Amount or if a Default or Event of Default exists, all insurance proceeds shall be paid to the Secured Party and, if initially received by the Company, shall be immediately turned over to the Secured Party. The Company authorizes the Secured Party to endorse in the name of the Company any instrument evidencing such proceeds.

All insurance proceeds received by the Secured Party (and not required to be turned over to the Company pursuant to the preceding paragraph) shall be held by the Secured Party and shall be, either applied to the Secured Obligations in such order and amounts as elected by the Secured Party or applied to repair or replace the damaged or destroyed property with respect to which such proceeds were received. If such proceeds shall be applied to such repair or replacement, the Secured Party shall disburse such proceeds to the Company from time to time for expenditures made in repairing or replacing the damaged or destroyed property with respect to which such proceeds were received upon receipt of (a) an application of the Company so requesting such application and (b) a certificate of an authorized officer of the Company showing the cash expenditures made or due to be made for such purposes and stating that the expenditures do not exceed the fair value to the Company of such repairs or replacement, together with such other documentation or evidence as the Secured Party may request.

9. Special Covenants With Respect to Accounts.

(a) The Company shall keep its chief place of business and chief executive office and the office where it keeps its records concerning the Accounts, and all originals of all Chattel Paper, at the location therefor specified in section 3(d) or, upon at least 30 days' prior written notice to the Secured Party, at such other location in a jurisdiction where all action that may be reasonably necessary or desirable, in the judgment of the Secured Party, in order to perfect and protect any security interest granted or purported to be granted hereby, or to enable the Secured Party to exercise and enforce its rights and remedies hereunder, with respect to the Accounts shall have been taken. The Company will hold and

preserve such records and Chattel Paper and will permit representatives of the Secured Party at any time during normal business hours to inspect and make abstracts from such records and Chattel Paper, and the Company agrees to render to the Secured Party, at the Company's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto.

(b) Except as otherwise provided in this subsection (b), the Company shall continue to collect, at its own expense, all amounts due or to become due to the Company under the Accounts. In connection with such collections, the Company may take (and, after the occurrence and during the continuance of an Event of Default, at the Secured Party's direction, shall take) such action as the Company or the Secured Party may deem necessary or advisable to enforce collection of amounts due or to become due under the Accounts; provided, however, that the Secured Party shall have the right at any time, upon the occurrence and during the continuation of an Event of Default and upon written notice to the Company of its intention to do so, to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Secured Party and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Company thereunder directly to the Secured Party, to notify each Person maintaining a lockbox or similar arrangement to which account debtors or obligors under any Accounts have been directed to make payment to remit all amounts representing collections on checks and other payment items from time to time sent to or deposited in such lockbox or other arrangement directly to the Secured Party and, upon such notification and at the expense of the Company, to enforce collection of any such Accounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Company might have done. After receipt by the Company of the notice from the Secured Party referred to in the proviso to the preceding sentence, (i) all amounts and proceeds (including checks and other instruments) received by the Company in respect of the Accounts shall be received in trust for the benefit of the Secured Party hereunder, shall be segregated from other funds of the Company and shall be forthwith paid over or delivered to the Secured Party in the same form as so received (with any necessary endorsement) to be held as cash Collateral and applied as provided by section 21, and (ii) the Company shall not adjust, settle or compromise the amount or payment of any Account, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon.

10. Special Covenants With Respect to Intellectual Property.

(a) The Company shall not enter into any agreement, including any license agreement, which is inconsistent with the Company's

obligations under this Agreement without the Secured Party's prior written consent.

(b) The Company shall not, unless the Company shall reasonably and in good faith determine (and notice of such determination shall have been delivered to the Secured Party) that any of the Patents is of immaterial economic value to the Company, do any act, or omit to do any act, whereby any of the Patents may lapse or become abandoned or dedicated to the public or unenforceable.

(c) The Company shall not, and the Company shall not permit any of its licensees to, unless the Company shall reasonably and in good faith determine (and provide notice of such determination to the Secured Party) that any of the Trademarks is of immaterial economic value to the Company:

(i) Fail to continue to use any of the Trademarks in order to maintain all of the Trademarks in full force free of any claim of abandonment for non-use;

(ii) Fail to maintain the quality of products and services offered under the Trademarks;

(iii) Fail to employ all of the Trademarks registered with any federal or state or foreign authority with an appropriate notice of such registration;

(iv) Adopt or use any other Trademark which is confusingly similar or a colorable imitation of any of the Trademarks;

(v) Use any of the Trademarks registered with any federal or state or foreign authority except for the uses for which such registration or application for registration has been made; or

(vi) Do or permit any act or knowingly omit to do any act whereby any of the Trademarks may lapse or become invalid or unenforceable.

(d) The Company shall not, unless the Company shall reasonably and in good faith determine (and provide notice of such determination to the Secured Party) that any of the Copyrights or any of the trade secrets is of immaterial economic value to the Company, do or permit any act or knowingly omit to do any act whereby any of the Copyrights or any of the trade secrets may

lapse or become invalid or unenforceable or placed in the public domain except upon the expiration of an unrenovable term of a registration thereof.

(e) The Company shall notify the Secured Party immediately upon obtaining knowledge that any application or registration relating to any material item of the Intellectual Property may become abandoned or dedicated to the public or placed in the public domain or invalid or unenforceable, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any foreign counterpart thereof or any court), regarding the Company's ownership of any of the Intellectual Property, its right to register the same or to keep and maintain and enforce the same.

(f) Promptly upon the filings of an application for the registration of any Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country the Company shall promptly inform the Secured Party. Upon the request of the Secured Party, the Company shall execute and deliver any and all agreements, instruments and documents as the Secured Party may reasonably request to evidence the Secured Party's security interest in such Intellectual Property and the goodwill of the Company relating thereto or represented thereby.

(g) The Company shall take all necessary steps to maintain and pursue any application (and to obtain the relevant registration) filed with respect to, and maintain the registration of, the Intellectual Property (except to the extent that dedication, abandonment or invalidation is permitted under sections 10(b), (c) or (d)).

11. License of Intellectual Property. The Company hereby grants to the Secured Party, effective upon the occurrence and during the continuance of an Event of Default, the nonexclusive right and license to use all Intellectual Property owned or used by the Company that relate to the Collateral, together with any goodwill associated therewith, all to the extent necessary to enable the Secured Party, to use, possess and realize on the Collateral and to enable any successor or assign to enjoy the benefits of the Collateral. This right and license shall inure to the benefit of all successors, assigns and transferees of the Secured Party and its successors, assigns and transferees, whether by voluntary conveyance, operation of law, assignment, transfer, foreclosure, deed in lieu of foreclosure or otherwise. Such right and license is granted free of charge, without requirement that any monetary payment whatsoever be made to the Company.

12. Transfers and Other Liens. The Company shall not:

(a) sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral, except as permitted by the Credit Agreement; or

(b) except for Permitted Liens, create or suffer to exist any Lien upon or with respect to any of the Collateral.

13. Secured Party Appointed Attorney-in-Fact. The Company hereby irrevocably appoints the Secured Party as the Company's attorney-in-fact, with full authority in the place and stead of the Company and in the name of the Company, the Secured Party or otherwise, from time to time in the Secured Party's discretion, to take any action and to execute any instrument that the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including, upon the occurrence and during the continuation of an Event of Default:

(a) to obtain and adjust insurance required to be maintained by the Company or paid to the Secured Party pursuant to section 8;

(b) to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(c) to receive, endorse and collect any drafts or other instruments, documents and Chattel Paper in connection with clauses (a) and (b) above;

(d) to file any claims or take any action or institute any proceedings that the Secured Party may deem reasonably necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral;

(e) to pay or discharge taxes or Liens (other than Permitted Liens) levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Secured Party in its sole discretion, any such payments made by the Secured Party shall constitute Secured Obligations hereunder, due and payable immediately without demand;

(f) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with Accounts and other documents relating to the Collateral; and

(g) to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Secured Party were the absolute owner thereof for all purposes, and to do, at the Secured Party's option, and the Company's expense, at any time or from time to time, all acts and things that the Secured Party deems reasonably necessary to protect, preserve or realize upon the Collateral and the Secured Party's security interest therein in order to effect the intent of this Agreement, all as fully and effectively as the Company might do.

14. Secured Party May Perform. If the Company fails to perform any agreement contained herein, the Secured Party may itself perform, or cause performance of, such agreement, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Company, shall bear interest at a rate equal to the Default Rate until paid and shall constitute Secured Obligations hereunder.

15. Standard of Care. The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property. The Secured Party may comply with any applicable state or federal law requirements in connection with the disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of such disposition.

16. Remedies. If an Event of Default shall have occurred and be continuing, the Secured Party may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code as in effect in any relevant jurisdiction (the "Code") (whether or not the Code applies to the affected Collateral), and also may (a) require the

Company to, and the Company hereby agrees that it will at its expense and upon request of the Secured Party forthwith, assemble all or part of the Collateral as directed by the Secured Party and make it available to the Secured Party at a place to be designated by the Secured Party that is reasonably convenient to the Secured Party and the Company, (b) enter onto the property where any Collateral is located and take possession thereof with or without judicial process, (c) exercise any and all of its rights under any control agreement relating to any Deposit Account, any item of Investment Property, any letter of credit right or any item of electronic Chattel Paper, including transferring any Deposit Account or item of Investment Property into the name, or possession of, Secured Party and giving any control notices, entitlement notices or entitlement orders, (d) prior to the disposition of the Collateral, store, process, repair or recondition the Collateral or otherwise prepare the Collateral for disposition in any manner to the extent requested by the Secured Party; provided, however, the Secured Party shall have no obligation to process, repair or recondition the collateral prior to disposition, and (e) without notice except as specified below, with or without having taken possession, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Secured Party's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as the Secured Party may deem commercially reasonable. The Secured Party may specifically disclaim any warranties of title or the like at any such sale. The Secured Party may be the purchaser of any or all of the Collateral at any such sale. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of the Company, and the Company hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Company agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to the Company of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Company hereby waives any claims against the Secured Party arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Secured Party accept the first offer received and does not offer such Collateral to more than one offeree.

The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

17. No Marshalling. The Secured Party has no obligation to, and the Company waives any right it may have to require the Secured Party to, marshal any assets in favor of the Company, or against or in payment of any of the Secured Obligations.

18. Sales on Credit. If the Secured Party sells any of the Collateral upon credit, the Company will be credited only with payments actually made by the purchaser, received by the Secured Party and applied to the Secured Obligations. In the event that the purchaser fails to pay for the Collateral, the Secured Party may resell the Collateral and the Secured Obligations will be credited with the proceeds of such sale.

19. Deficiency Judgments. If the proceeds of any sale or other disposition of the Collateral are insufficient to pay all the Secured Obligations, the Company shall be liable for the deficiency and the reasonable fees of any attorneys employed by the Secured Party to collect such deficiency. If it is determined by an authority of competent jurisdiction that a disposition by the Secured Party did not occur in a commercially reasonable manner, the Secured Party may obtain a deficiency from the Company only for the difference between the amount of the Secured Obligations foreclosed and the amount that a commercially reasonable sale would have yielded.

20. Retention of Collateral. The Secured Party will not be considered to have offered to retain the Collateral in satisfaction of the Secured Obligations unless the Secured Party has entered into a written agreement with the Company to that effect.

21. Application of Proceeds. Except as expressly provided elsewhere in this Agreement, all proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied by the Secured Party, unless otherwise required by law, to the Secured Obligations in such amounts and order as the Secured Party in its sole discretion may determine.

22. Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the payment in full of the Secured Obligations, (b) be binding upon the Company, its successors and assigns, and (c) inure, together with the rights and

remedies hereunder, to the benefit of the Secured Party and its successors, transferees and assigns. Upon the final payment in full of all Secured Obligations and the termination of all of the Secured Party's commitments related thereto, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to the Company. Upon any such termination the Secured Party will, at the Company's expense, execute and deliver to the Company such documents as the Company shall reasonably request to evidence such termination.

23. Amendments; No Waiver. No amendment, modification, termination or waiver of any provision of this Agreement, and no consent to any departure by the Company therefrom, shall in any event be effective unless the same shall be in writing and signed by the Secured Party and the Company. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No other act, including but not limited to a failure to exercise or a delay in exercising any right, power or privilege hereunder, on the part of the Secured Party shall be deemed to be a waiver of such right, power or privilege or an acquiescence of any Default or Event of Default.

24. Notices. All notices provided for herein shall be in writing and shall be sent in the manner and to the addresses and shall be effective as provided in the Credit Agreement.

25. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

26. Headings. Section and subsection headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

27. Governing Law; Terms. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE COMPANY HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF WISCONSIN, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES, EXCEPT TO THE EXTENT THAT THE CODE PROVIDES THAT THE PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF WISCONSIN; PROVIDED THAT THE SECURED PARTY SHALL RETAIN

ALL RIGHTS ARISING UNDER FEDERAL LAW. Unless otherwise defined herein or in the Credit Agreement, terms used in Articles 8 and 9 of the Uniform Commercial Code in the State of Wisconsin are used herein as therein defined.

[SIGNATURE APPEARS ON NEXT PAGE]

SIGNATURE PAGE FOR
REDPRAIRIE CORPORATION
SECURITY AGREEMENT

REDPRAIRIE CORPORATION

BY Laura G. Esq
Its General Counsel

EXHIBIT A

LOCATION OF EQUIPMENT AND INVENTORY

The following are all of the locations where the Borrower maintains inventory and equipment:

20700 Swenson Drive, Waukesha, Wisconsin 53186

*20825 Swenson Drive, Waukesha, Wisconsin 53186

5520 Dillard Drive, Cary North Carolina 27511

6385 Old Shady Oak Road, Eden Prairie, Minnesota 55344

Woluwedal 28, 1932 Sint-Stevens-Woluxe, Brussels, Belgium

EXHIBIT B

DESCRIPTION OF REAL ESTATE TO WHICH COLLATERAL IS AFFIXED

[Not Applicable]

EXHIBIT C

PATENTS, COPYRIGHTS AND TRADEMARKS

Patents:

None

Trademarks:

<u>Mark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
DISTRIBUTION MANAGER	2,056,393	4/22/97
DLX	2,536,664	2/5/02
DM PLUS	2,012,377	10/29/96
MCHUGH & Design	2,514,489	12/4/01
DIGITALOGISTIC & Design	2,699,585	7/31/01
Circle Logo & Design	2,649,039	10/9/01
LENS	2,766,208	10/15/01
REDPRAIRIE	(Serial No. 76/400,028)	(Filing date: 4/23/02)

Copyrights:

<u>Title</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
SEAMLES computer program	TXu 956-867	6/22/00
MOC/MCS computer program	TXu 956-865	6/22/00
Calm computer program	TXu 974-814	6/22/00
DCS computer program	TXu 956-864	6/22/00
TRACS computer program	TXu 956-866	6/22/00
LENS 1.3.0	TXu 1-035-508	7/24/01
DLx Warehouse/D 5.1.2	TXu 1-042-983	7/24/01
DLx Labor 6.0.0	TXu 1-026-005	3/29/02
DLx Labor 5.6.3	TXu 1-042-988	7/26/01
DM Plus computer program	TXu 1-018-559	10/15/01
DLx Commander/QA 1.0.0	TXu 1-033-002	3/29/02
Dlx Slotting 1.0.2	TXu 1-033-001	3/29/02
LENS 2.0	TXu 1-033-000	3/29/02
DLx WM/D 5.05 computer program	TXu-1-037-508	7/24/01
DLx Warehouse/P 5.4	TXu-1-026-006	3/29/02
DLx Commander/Recall 1.0.0	TXu-1-101-781	3/29/02
DLx Supplier 1.0.0	TXu-1-101-780	3/29/02
DLx Transportation 5.1	Applied For	3/28/02