

TRADEMARK ASSIGNMENT

Electronic Version v1.1
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| SUBMISSION TYPE: | NEW ASSIGNMENT |
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| NATURE OF CONVEYANCE: | SECURITY INTEREST |
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| CONVEYING PARTY DATA | | | |
| Name | Formerly | Execution Date | Entity Type |
| Utopy, Inc. | | 11/24/2004 | CORPORATION: DELAWARE |

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| RECEIVING PARTY DATA | |
| Name: | Blacksmith Ventures I-A, L.P. |
| Street Address: | 220 Halleck, Suite 220 |
| City: | San Francisco |
| State/Country: | CALIFORNIA |
| Postal Code: | 94129 |
| Entity Type: | LIMITED PARTNERSHIP: DELAWARE |
| Name: | Blacksmith Capital UTP L.L.C. |
| Street Address: | 220 Halleck, Suite 220 |
| City: | San Francisco |
| State/Country: | CALIFORNIA |
| Postal Code: | 94129 |
| Entity Type: | Limited Liability Company: DELAWARE |

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| PROPERTY NUMBERS Total: 2 | | |
| Property Type | Number | Word Mark |
| Registration Number: | 2757525 | SPEECHMINER |
| Registration Number: | 2757526 | UTOPY |

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| CORRESPONDENCE DATA | |
| Fax Number: | (415)983-1200 |
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CH \$65.00 2757525

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NAME OF SUBMITTER:

Laura C. Gustafson

Total Attachments: 23

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Agreement") is made as of November 24, 2004 by and among UTOPI, INC., a Delaware corporation (the "Debtor"), in favor of those entities listed on the Schedule of Lenders attached hereto as **Exhibit A**, who are providing secured loans to the Company as described in the Secured Note Purchase Agreement (as defined below) (each, a "Secured Party" and collectively, the "Secured Parties").

RECITALS

The Debtor and the Secured Parties are parties to the Secured Note Purchase Agreement of even date with this Agreement (the "Secured Note Purchase Agreement"), pursuant to which the Secured Parties have agreed to make loans to the Company in the aggregate principal amount of US\$850,000 in exchange for Notes (as defined in the Secured Note Purchase Agreement) issued by the Debtor. The parties intend that the Debtor's obligations to repay the Notes be secured by all of the Collateral (as defined below).

AGREEMENT

In consideration of the purchase of the Notes by the Secured Parties and for other good and valuable consideration, the Debtor hereby agrees with the Secured Parties as follows:

1. Grant of Security Interest. To secure the Debtor's full and timely performance of all of the Debtor's obligations and liabilities to the Secured Parties pursuant to the Notes, this Agreement and the Secured Note Purchase Agreement (including, without limitation, Debtor's obligation to timely pay the principal amount of, and interest on, the Notes), and any renewal, extension or modification of any of the foregoing, including, all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by Debtor hereunder and thereunder, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U.S.C. Section 101 et seq.), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding (the "Obligations"), the Debtor hereby grants to the Secured Parties a continuing first priority security interest in all right, title and interests of the Company (the "Security Interest") in and to all of the property described on **Exhibit B** to this Agreement (the "Collateral").

2. Agreement Among the Secured Parties.

(a) Payment Pro Rata. Payment to the Secured Parties under the Notes shall be made in proportion to the principal and accrued interest then outstanding under all Notes on any such date of payment to each Secured Party, until such obligations are paid or retired in full.

(b) Sharing of Payments. If any Secured Party shall at any time receive any payment of principal, interest or other charge arising under a Note, or upon any other obligation of Debtor or any sums by virtue of counterclaim, offset or other lien that may be exercised, or from any security, other than payments made on the same date to all Secured Parties, such Secured Party shall share such payment or payments ratably with the other Secured Parties as to maintain as

near as possible the unpaid balance of the loans pro rata according to the Secured Parties' aggregate proportionate interests.

(c) Sharing of Collateral. Upon the occurrence of any Event of Default (as defined in the Notes), and if the Secured Parties proceed to exercise any rights with respect to the Collateral, the Secured Parties shall share the Collateral and the proceeds of such Collateral ratably, without priority of one over the other.

(d) Appointment of Representatives. The Secured Parties agree that Blacksmith Ventures I-A, L.P. ("Blacksmith") or any person or entity that Blacksmith may, from time to time, designate, or some other person or party upon the approval of the Secured Parties holding a majority in interest of the principal amount of Notes then outstanding, may act as the representative of all Secured Parties (the "Representative") to execute and deliver in the name of all Secured Parties such instruments, documents, statements and amendments thereto as may be necessary or appropriate to perfect or continue the perfection of the security interest granted in this Agreement. Each of the Secured Parties agrees to defend, indemnify and hold harmless the Representative against any and all liabilities, costs and expenses (including, without limitation, all legal fees and expenses) incurred in connection with the Representative undertaking the duties described above.

(e) Enforcement. Enforcement of the Secured Parties' rights hereunder shall be taken by the Secured Parties holding a majority in interest of the principal amount of Notes then outstanding, acting together as the agent for all of the Secured Parties. The action of such percentage taken in accordance with the preceding sentence shall, in each case, bind all of the Secured Parties. Each of the Secured Parties agrees that any Secured Parties acting under Section 2(d) and Section 2(e) of this Agreement shall not be liable for any acts taken in good faith in enforcing the rights of the Secured Parties hereunder.

3. Representations and Covenants. Except as set forth on a Schedule of Exceptions delivered by the Debtor to the Representative at the Closing, the Debtor hereby represents and warrants to each Secured Party as follows:

(a) Other Liens.

(i) Except for Permitted Liens (as defined below), the Debtor owns all right, title and interest in the Collateral and will be the owner of the Collateral hereafter acquired free from any adverse lien, security interest or encumbrance (other than Permitted Liens), and the Debtor will defend the Collateral against the claims and demands of all persons at any time claiming the same or any interest therein. No financing statements covering any Collateral or any proceeds thereof are on file in any public office.

(ii) The Debtor represents and warrants to the Secured Parties that (a) Debtor is the owner of the Collateral (or, in the case of after-acquired Collateral, at the time Debtor acquires rights in the Collateral, will be the owner thereof) and that no other individual or entity has (or, in the case of after-acquired Collateral, at the time Debtor acquires rights therein, will have) any right, title, claim or interest (by way of any lien or otherwise) in, against or to the Collateral, other than Permitted Liens; (b) upon the filing of UCC-1 financing statements, the

Secured Parties have (or in the case of after-acquired Collateral, at the time Debtor acquires rights therein, will have) a first priority perfected security interest in the Collateral to the extent that a security interest in the Collateral can be perfected by such filing, except for Permitted Liens; (c) all accounts receivable and payment intangibles are genuine and enforceable against the party obligated to pay the same; (d) the originals of all documents evidencing all accounts receivable and payment intangibles of Debtor and the only original books of account and records of Debtor relating thereto are, and will continue to be, kept at the chief executive office of Debtor set forth on **Exhibit D** or at such other locations as Debtor may establish in accordance with this Agreement, and (e) all information set forth in **Exhibits C and D** hereto is true and correct.

(iii) Debtor represents and warrants to Secured Parties that: (a) Debtor does not own any patents, trademarks, copyrights or mask works registered in, or the subject of pending applications in, the Patent and Trademark Office or the Copyright Office or any similar offices or agencies in any other country or any political subdivision thereof, other than those described on **Exhibit C** hereto; (b) Debtor has, except for Permitted Liens, the sole, full and unencumbered right, title and interest in and to the trademarks shown on **Exhibit C** and the goods and services covered by the registrations thereof and, to the extent registered, such registrations are valid and enforceable and in full force and effect; (c) Debtor has, except for Permitted Liens, the sole, full and unencumbered right, title and interest in and to each of the patents shown on **Exhibit C** and the registrations thereof are valid and enforceable and in full force and effect; (d) Debtor has, except for Permitted Liens, the sole, full and unencumbered right, title and interest in and to each of the copyrights shown on **Exhibit C** and according to the records of the Copyright Office, each of said copyrights is valid and enforceable and in full force and effect; (e) Debtor has, except for Permitted Liens, the sole, full and unencumbered right, title and interest in and to the mask works shown on **Exhibit C** and according to the records of the Copyright Office, each of said mask works is valid and enforceable and in full force and effect; (f) there is no claim by any third party that any patents, trademarks, copyrights or mask works are invalid and unenforceable or do or may violate the rights of any individual or entity; (g) all licenses (other than non-exclusive licenses to end-users) of patents, trademarks, copyrights, mask works and trade secrets which Debtor has granted to any individual or entity are set forth in **Exhibit C** hereto; (h) all licenses of patents, trademarks, copyrights, mask works and trade secrets which any individual or entity has granted to Debtor are set forth on **Exhibit C** hereto; (i) Debtor has obtained from each employee who may be considered the inventor of patentable inventions (invented within the scope of such employee's employment) an assignment to Debtor of all rights to such inventions, including patents; and (j) Debtor has taken all reasonable steps necessary to protect the secrecy and the validity under applicable law of all material trade secrets.

(iv) For the purposes of this Agreement, "Permitted Liens" means any and all of the following: (1) liens in favor of the Secured Parties, including the Security Interest; (2) liens set forth in **Exhibit E** to this Agreement; (3) liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings; provided, that such liens do not have priority over any of the Secured Parties' liens and Debtor maintains adequate reserves therefor in accordance with generally accepted accounting principles; (4) liens securing claims or demands of materialmen, artisans, mechanics, carriers, warehousemen, landlords and other like persons arising in the ordinary course of Debtor's business and imposed without action of such parties or the Debtor; provided,

that the payment thereof is not yet required; (5) the following deposits, to the extent made in the ordinary course of business: deposits under worker's compensation, unemployment insurance, social security and other similar laws, or to secure the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure indemnity, performance or other similar bonds for the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure statutory obligations (other than liens arising under ERISA or environmental liens) or surety or appeal bonds, or to secure indemnity, performance or other similar bonds; (6) purchase money liens (A) on equipment acquired or held by the Company or its subsidiaries incurred in connection with financing the original acquisition of the equipment or (B) existing on equipment when acquired, if the lien is confined to the property, improvements and the direct proceeds of the equipment; (7) liens on leased equipment; and (8) liens incurred in connection with the extension, renewal or refinancing of the indebtedness secured by liens of the type described in clauses (1) through (7) above; provided, that any extension, renewal or replacement lien will be limited to the property encumbered by the existing lien and the principal amount of the indebtedness being extended, renewed or refinanced (as may have been reduced by any payment thereon) does not increase; and provided, further, that no such extension, renewal or replacement lien pursuant to clause (2) above will be permitted without the prior written consent of the Secured Parties holding a majority in interest of the principal amount of the Notes then outstanding.

(b) Further Documentation and Assurances. At any time and from time to time, at the sole expense of the Debtor, the Debtor will promptly and duly execute and deliver such further instruments and documents and take such further action as the Secured Parties may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted. The Debtor hereby authorizes the Secured Parties to file any such financing or continuation statement without the signature of the Debtor to the extent permitted by applicable law. A reproduction of this Agreement may be filed by the Secured Parties as a financing statement (or as an exhibit to a financing statement on form UCC-1) without further authorization from Debtor. Debtor shall perform all acts that may be necessary to maintain, preserve, protect and perfect the Collateral, the lien granted to the Secured Parties therein and the perfection and first priority of such lien.

(c) Change of Jurisdiction of Organization; Relocation of Business or Collateral. Debtor 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 (unless such relocation is in the ordinary course of business) without thirty (30) days prior written notice to the Secured Parties.

(d) Limitations on Modifications of Accounts, Etc. Upon the occurrence and during the continuance of any Event of Default (as defined in the Secured Note Purchase Agreement), Debtor shall not, without the Representative's 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 Debtor's business.

(e) Insurance. Debtor 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 Debtor. All proceeds payable under any insurance policy shall, at the option of the Secured Parties, be paid to the Secured Parties to be applied to the Obligations.

(f) Taxes, Assessments, Etc. Debtor 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.

(g) Maintenance of Records. The Debtor will keep and maintain at its own cost and expense satisfactory and complete records of the Collateral.

(h) Inspection Rights. The Secured Parties will have full access during normal business hours, and upon reasonable prior notice, to all of the books, correspondence and other records of the Debtor relating to the Collateral, and the Secured Parties or their representatives may examine such records and make photocopies or otherwise take extracts from such records; provided, however, that no Secured Party who is also a customer of the Debtor will have access to the confidential information of other customers of the Debtor. The Debtor agrees to render to the Secured Parties, at the Debtor's expense, such clerical and other assistance as may be reasonably requested with regard to the exercise of its rights pursuant to this paragraph.

(i) Compliance with Laws, etc. The Debtor shall comply in all material respects with all laws, rules, regulations and orders of any governmental authority applicable to any part of the Collateral or to the operation of the Debtor's business; provided, however, that the Debtor may contest any such law, rule, regulation or order in any reasonable manner which does not, in the reasonable opinion of the Debtor, adversely affect the Secured Parties' rights or the priority of their liens on the Collateral.

(j) Payment of Obligations. The Debtor shall pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Collateral or with respect to any of its income or profits derived from the Collateral, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if (i) the validity of such charge is being contested in good faith by appropriate proceedings, (ii) such proceedings do not involve any material danger of the sale, forfeiture or loss of any of the Collateral or any interest in the Collateral and (iii) such charge is adequately reserved against on the Debtor's books in accordance with generally accepted accounting principles.

(k) Limitation on Liens on Collateral. The Debtor shall not create, incur or permit to exist, shall defend the Collateral against, and shall take such other action as is necessary to remove, any lien or claim on or to the Collateral, other than the Permitted Liens, and shall, except with respect to the Permitted Liens, defend the right, title and interest of the Secured Parties in and to any of the Collateral against the claims and demands of all other persons.

(l) Limitations on Dispositions of Collateral. The Debtor shall not sell, transfer, lease or otherwise dispose of a material portion of the Collateral, or offer or contract to do so without the written consent of the Secured Parties; provided, however, that Debtor will be allowed to grant non-exclusive licenses to its products, intellectual property and related documentation consistent with Debtor's past practice and in the ordinary course of business.

(m) Further Identification of Collateral. The Debtor shall furnish to the Secured Parties 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 Parties may reasonably request, all in reasonable detail.

(n) Covenants Regarding Intellectual Property. Debtor hereby agrees:

(i) Debtor will perform all acts and execute all documents, including notices of security interest for each relevant type of intellectual property in forms suitable for filing with the Patent and Trademark Office or the Copyright Office, that may be necessary or desirable to record, maintain, preserve, protect and perfect the Secured Parties' interest in the Collateral, the lien granted to The Secured Parties in the Collateral and the first priority of such lien;

(ii) Except to the extent that the Representative gives its prior written consent:

(A) Debtor (either itself or through licensees) will continue to use its material trademarks in connection with each and every trademark class of goods or services applicable to its current line of products or services as reflected in its current catalogs, brochures, price lists or similar materials in order to maintain such trademarks in full force and effect free from any claim of abandonment for nonuse, and Debtor will not (and will not permit any licensee thereof to) do any act or knowingly omit to do any act whereby any material trademark may become invalidated;

(B) Debtor will not do any act or omit to do any act whereby any material patent registrations may become abandoned or dedicated to the public domain or the remedies available against potential infringers weakened and shall notify the Secured Parties immediately if it knows of any reason or has reason to know that any material patent registration may become abandoned or dedicated; and

(C) Debtor will not do any act or omit to do any act whereby any material copyrights or mask works may become abandoned or dedicated to the public domain or the remedies available against potential infringers weakened and shall notify the Secured Parties immediately if it knows of any reason or has reason to know that any material copyright or mask work may become abandoned or dedicated to the public domain.

(iii) Debtor will promptly (and in any event within 5 days) notify the Secured Parties upon the filing, either by Debtor or through any agent, employee, licensee or designee, of (A) an application for the registration of any patent or trademark, with the Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, (B) any assignment of any patent or trademark, which Debtor may acquire from a third party, with the Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, or (C) any assignment of any copyright or mask work, which

Debtor may acquire from a third party, with the Copyright Office or any similar office or agency in any other country or any political subdivision thereof. Upon the request of the Representative, Debtor shall execute and deliver any and all agreements, instruments, documents and papers as the Representative may request to evidence the Secured Parties' security interest in such patent, trademark (and the goodwill and general intangibles of Debtor relating thereto or represented thereby), copyright or mask work, and Debtor authorizes the Representative to amend an original counterpart of the applicable notice of security interest executed pursuant to Section 3(b)(i) of this Agreement without first obtaining Debtor's approval of or signature to such amendment and to record such document with the Patent and Trademark Office or Copyright Office, as applicable;

(iv) While any Obligations remain outstanding, Debtor shall not register or cause to be registered with the United States Copyright Office any copyright registrations with respect to any proprietary software of Debtor or any other property that is subject to registration with the United States Copyright Office;

(v) Debtor will take all necessary steps in any proceeding before the Patent and Trademark Office, the Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to diligently prosecute or maintain, as applicable, each application and registration of the patents, trademarks, copyrights and mask works, including filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings (except to the extent that dedication, abandonment or invalidation is permitted hereunder);

(vi) Debtor shall (i) use proper statutory notice in connection with its use of the patents, trademarks, copyrights and mask works, (ii) maintain consistent standards of quality in its manufacture of products sold under the trademarks or provision of services in connection with the trademarks, and (iii) take all steps necessary to protect the secrecy and the validity under applicable law of all material trade secrets;

(vii) Debtor agrees that if it learns of any use by any individual or entity of any term or design likely to cause confusion with any trademark, Debtor shall promptly notify the Secured Parties of such use and of all steps taken and to be taken to remedy any infringement of any trademark; and

(viii) Debtor shall maintain with each employee who may have access to the trade secrets of Debtor an agreement by which such employee agrees not to disclose such trade secrets and with each employee who may be the inventor of patentable inventions (invented within the scope of such employee's employment) an invention assignment agreement requiring such employee to assign all rights to such inventions, including patents and patent applications, to Debtor and further requiring such employee to cooperate fully with Debtor, its successors in interest, including the Secured Parties, and their counsel, in the prosecution of any patent application or in any litigation involving the invention, whether such cooperation is required during such employee's employment with Debtor or after the termination of such employment.

(o) Litigation and Other Proceedings. Debtor shall have the right and obligation to commence and diligently prosecute such suits, proceedings or other actions for infringement or

other damage, or reexamination or reissue proceedings, or opposition or cancellation proceedings as are reasonable to protect any of the patents, trademarks, copyrights, mask works or trade secrets. No such suit, proceeding or other actions shall be settled or voluntarily dismissed, nor shall any party be released or excused of any claims of or liability for infringement, without the prior written consent of the Representative, which consent shall not be unreasonably withheld. Upon the occurrence and during the continuation of an Event of Default, the Secured Parties shall have the right but not the obligation to bring suit or institute proceedings in the name of Debtor or the Secured Parties to enforce any rights in the Collateral, including any license thereunder, in which event Debtor shall at the request of the Representative do any and all lawful acts and execute any and all documents reasonably required by the Secured Parties in aid of such enforcement. If the Secured Parties elect not to bring suit to enforce any right under the Collateral, including any license thereunder, Debtor agrees to use all reasonable measures, whether by suit, proceeding or other action, to cause to cease any infringement of any right under the Collateral by any Person and for that purpose agrees to diligently maintain any action, suit or proceeding against any Person so infringing necessary to prevent such infringement.

4. Secured Parties' Appointment as Attorney-in-Fact.

(a) Powers. The Debtor hereby appoints the Secured Parties, in accordance with Section 2 of this Agreement, and any officers, members, managers, partners or agents of the Secured Parties, with full power of substitution, as its attorney-in-fact with full irrevocable power and authority in the place of the Debtor and in the name of the Debtor or in its own name, so long as an Event of Default (as defined in the Notes) has occurred and is continuing, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any instrument which may be necessary or desirable to accomplish the purposes of this Agreement. Without limiting the foregoing, so long as an Event of Default has occurred and is continuing, the Secured Parties, in their discretion, will have the right, without notice to, or the consent of, the Debtor, to do any of the following on the Debtor's behalf:

- (i) to pay or discharge any taxes or liens levied or placed on or threatened against the Collateral;
- (ii) to direct any party liable for any payment under any of the Collateral to make payment of any and all amounts due or to become due thereunder directly to the Secured Parties or as the Secured Parties direct;
- (iii) to ask for or demand, collect, and receive payment of and receipt for, any payments due or to become due at any time in respect of or arising out of any Collateral;
- (iv) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to enforce any right in respect of any Collateral;
- (v) to defend any suit, action or proceeding brought against the Debtor with respect to any Collateral;
- (vi) to settle, compromise or adjust any suit, action or proceeding described in subsection (v) above and, to give such discharges or releases in connection therewith as the Secured Parties may deem appropriate;

(vii) to assign any patent right included in the Collateral of Debtor (along with the goodwill of the business to which any such patent right pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Secured Parties in their sole discretion determine;

(viii) to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral, and to take, at the Secured Parties' option and the Debtor's expense, any actions which the Secured Parties deem necessary to protect, preserve or realize upon the Collateral and the Secured Parties' liens on the Collateral and to carry out the intent of this Agreement, in each case to the same extent as if the Secured Parties were the absolute owners of the Collateral for all purposes;

(ix) enter into any extension, reorganization, deposit, merger, consolidation or other agreement pertaining to, or deposit, surrender, accept, hold or apply other property in exchange for the Collateral;

(x) insure, process and preserve the Collateral;

(xi) pay any indebtedness of Debtor relating to the Collateral;

The Debtor hereby ratifies whatever actions the Secured Parties lawfully do or cause to be done in accordance with this Section 4. This power of attorney will be a power coupled with an interest and will be irrevocable.

Debtor agrees to reimburse the Secured Parties upon demand for any reasonable costs and expenses, including attorneys' fees, the Secured Parties Agent may incur while acting as Company's attorney-in-fact hereunder, all of which costs and expenses are included in the Obligations pursuant to Section 5.

(b) No Duty on Secured Parties' Part. The powers conferred on the Secured Parties by this Section 4 are solely to protect the Secured Parties' interest in the Collateral and do not impose any duty upon it to exercise any such powers. The Secured Parties will be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither the Secured Parties nor any of their officers, directors, members, managers, partners, employees or agents will, in the absence of willful misconduct or negligence, be responsible to the Debtor for any act or failure to act pursuant to this Section 4.

5. Expenses Incurred by Secured Parties. If the Debtor fails to perform or comply with any of its agreements or covenants contained in this Agreement, and the Secured Parties perform or comply, or otherwise cause performance or compliance, with such agreement or covenant in accordance with the terms of this Agreement, then the reasonable expenses of the Secured Parties incurred in connection with such performance or compliance will be payable by the Debtor to the Secured Parties on demand and will constitute Obligations secured by this Agreement.

6. Remedies. If an Event of Default has occurred and is continuing, the Secured Parties may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement relating to the Obligations, all rights and

remedies of a secured party under the California Uniform Commercial Code, as amended from time to time (the "Code"). Without limiting the foregoing, the Secured Parties, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law) to or upon the Debtor or any other person (all of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances collect, receive, appropriate and realize upon any or all of the Collateral, and/or may sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Secured Parties or elsewhere upon such terms and conditions as the Secured Parties may deem advisable, for cash or on credit or for future delivery without assumption of any credit risk. The Secured Parties will 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 all or any part of the Collateral so sold, free of any right or equity of redemption in the Debtor, which right or equity is hereby waived or released. The Secured Parties will apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable expenses actually incurred therein or in connection with the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Parties under this Agreement (including, without limitation, reasonable attorneys' fees and expenses) to the payment in whole or in part of the Obligations, in such order as the Secured Parties may elect, and only after such application and after the payment by the Secured Parties of any other amount required by any provision of law, need the Secured Parties account for the surplus, if any, to the Debtor. To the extent permitted by applicable law, the Debtor waives all claims, damages and demands it may acquire against the Secured Parties arising out of the exercise by the Secured Parties of any of its rights hereunder. If any notice of a proposed sale or other disposition of Collateral is required by law, such notice will be deemed reasonable and proper if given at least five (5) days before such sale or other disposition. The Debtor will remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the reasonable fees and disbursements of any attorneys employed by the Secured Parties to collect such deficiency. In furtherance of the Secured Parties' rights hereunder, in the event that an Event of Default occurs and is continuing, Debtor hereby grants to the Secured Parties an irrevocable, non-exclusive license, exercisable without royalty or other payment by the Secured Parties, and only in connection with the exercise of remedies hereunder, to use, license or sublicense any patent, trademark, trade name, copyright or other intellectual property in which Debtor now or hereafter has any right, title or interest together with the right of access to all media in which any of the foregoing may be recorded or stored.

7. Limitation on Duties Regarding Preservation of Collateral. The sole duty of the Secured Parties with respect to the custody, safekeeping and preservation of the Collateral, under Section 9207 of the Code or otherwise, will be to deal with it in the same manner as the Secured Parties deal with similar property of similar value for their own account. Neither the Secured Parties nor any of their officers, directors, members, managers, partners, employees or agents will be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or will be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Debtor or otherwise.

8. Powers Coupled with an Interest. All authorizations and agencies contained in this Agreement with respect the Collateral are irrevocable and powers coupled with an interest.

9. No Waiver; Cumulative Remedies. The Secured Parties will not by any act (except by a written instrument pursuant to Section 10(a) hereof) of delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any default under the Notes or in any breach of any of the terms and conditions of this Agreement. No failure to exercise, nor any delay in exercising, on the part of the Secured Parties, any right, power or privilege hereunder will operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Secured Parties of any right or remedy under this Agreement on any one occasion will not be construed as a bar to any right or remedy which the Secured Parties would otherwise have on any subsequent occasion. The rights and remedies provided in this Agreement are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

10. Miscellaneous.

(a) Amendments and Waivers. Any term of this Agreement may be amended with the written consent of the Debtor and of the Secured Parties holding a majority of the aggregate principal amount of the Notes then outstanding, which approval of the Secured Parties may be given by the Representative. Any amendment or waiver effected in accordance with this Section 10(a) will be binding upon all Secured Parties, Debtor and their respective successors and assigns. Notwithstanding the foregoing, this Agreement may be amended by the Debtor without the consent of any Secured Parties or the Representative for the purpose of adding additional parties who acquire Notes as Secured Parties ("Additional Secured Parties"), and such Additional Secured Parties shall be considered Secured Parties for all purposes under this Agreement.

(b) Transfer; Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the Secured Parties and their respective successors or assigns. The Debtor may not assign any of its rights or delegate any of its duties under this Agreement, without consent of a majority in interest of the Secured Parties.

(c) Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California without regard to the laws that might be applicable under conflicts of laws principles.

(d) Counterparts. This Agreement may be executed in any number of counterparts (including by facsimile), each of which will be an original, but all of which together will constitute one instrument.

(e) Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

(f) Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent

by confirmed electronic mail, telex or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Debtor and the Secured Parties at the addresses set forth on the signature page hereto or at such other address as the Debtor or Secured parties may designate by ten (10) days advance written notice to the other parties hereto.

(g) Severability. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such provision(s) shall be ineffective only to the extent of such invalidity, illegality or unenforceability without invalidating the remainder of such provision or the remaining provisions of this Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, which shall remain in full force and effect.

(h) Entire Agreement. This Agreement, and the documents referred to herein constitute the entire understanding and agreement between the parties with regard to the subjects hereof and thereof and supersede all prior agreements, representations, and undertakings of the parties, whether oral or written, with respect to such subject matter.

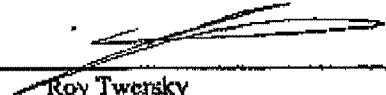
(i) Payments Free of Taxes, Etc. All payments made by Debtor under the Financing Documents (as defined in the Secured Note Purchase Agreement) shall be made by Debtor free and clear of and without deduction for any and all present and future taxes, levies, charges, deductions and withholdings. In addition, Debtor shall pay upon demand any stamp or other taxes, levies or charges of any jurisdiction with respect to the execution, delivery, registration, performance and enforcement of this Agreement. Upon request by the Representative, Debtor shall furnish evidence satisfactory to the Secured parties that all requisite authorizations and approvals by, and notices to and filings with, governmental authorities and regulatory bodies have been obtained and made and that all requisite taxes, levies and charges have been paid.

The Debtor and Secured Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

DEBTOR:

UTOPIY, INC.

By



Roy Twersky
President and Chief Executive Officer

Address: 330 Fell Street
San Francisco, CA 94102
Tel: (415) 621-5700
Fax: (415) 621-5758

00001456

The Debtor and Secured Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

SECURED PARTIES:

BLACKSMITH VENTURES I-A, L.P.

By: Blacksmith Capital I, L.L.C., its
General Partner

By: Philip D. Black
Name: Philip D. Black
Title: Managing Member

BLACKSMITH CAPITAL UTP L.L.C.

By: Philip D. Black
Name: Philip D. Black
Title: Managing Member

EXHIBIT A
SCHEDULE OF LENDERS

BLACKSMITH VENTURES I-A, L.P.
BLACKSMITH CAPITAL UTP L.L.C.

EXHIBIT B**DESCRIPTION OF COLLATERAL**

"Collateral" consists of all of the Debtor's right, title and interest in and to the following:

1. All goods and equipment now owned or hereafter acquired, including, without limitation, all laboratory equipment, computer equipment, office equipment, machinery, fixtures, vehicles, and any interest in any of the foregoing, and all attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing, wherever located;
2. All inventory now owned or hereafter acquired, including, without limitation, all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products including such inventory as is temporarily out of Debtor's custody or possession or in transit and including any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing and any documents of title representing any of the above, and Debtor's books relating to any of the foregoing;
3. All contract rights, general intangibles, health care insurance receivables, payment intangibles and commercial tort claims, now owned or hereafter acquired, including, without limitation, all patents, patent rights (and applications and registrations therefor), trademarks and service marks (and applications and registrations therefor), inventions, copyrights, mask works (and applications and registrations therefor), trade names, trade styles, software and computer programs, trade secrets, methods, processes, know how, drawings, specifications, descriptions, and all memoranda, notes, and records with respect to any research and development, goodwill, license agreements, franchise agreements, blueprints, drawings, purchase orders, customer lists, route lists, infringements, claims, computer programs, computer disks, computer tapes, literature, reports, catalogs, design rights, income tax refunds, payments of insurance and rights to payment of any kind and whether in tangible or intangible form or contained on magnetic media readable by machine together with all such magnetic media;
4. All now existing and hereafter arising accounts, contract rights, royalties, license rights and all other forms of obligations owing to Debtor arising out of the sale or lease of goods, the licensing of technology or the rendering of services by Debtor (subject, in each case, to the contractual rights of third parties to require funds received by Debtor to be expended in a particular manner), whether or not earned by performance, and any and all credit insurance, guaranties, and other security therefor, as well as all merchandise returned to or reclaimed by Debtor and Debtor's books relating to any of the foregoing;
5. All documents, cash, deposit accounts, letters of credit, letter of credit rights, supporting obligations, certificates of deposit, instruments, chattel paper, electronic chattel paper, tangible chattel paper and investment property, including, without limitation, all securities, whether certificated or uncertificated, security entitlements, securities accounts, commodity

contracts and commodity accounts, and all financial assets held in any securities account or otherwise, wherever located, now owned or hereafter acquired and Debtor's books relating to the foregoing; and

6. Any and all claims, rights and interests in any of the above and all substitutions for, additions and accessions to and proceeds thereof, including, without limitation, insurance, condemnation, requisition or similar payments and the proceeds thereof.

EXHIBIT C

COPYRIGHTS

| <u>Description</u> | <u>Registration Date</u> | <u>Registration No.</u> |
|--------------------|--------------------------|-------------------------|
|--------------------|--------------------------|-------------------------|

PATENTS

| <u>Title</u> | <u>Date Issued</u> | <u>Patent No.</u> |
|--------------|--------------------|-------------------|
|--------------|--------------------|-------------------|

None

PATENT APPLICATIONS

| <u>Title</u> | <u>Application Date</u> | <u>Application No.</u> |
|--------------|-------------------------|------------------------|
|--------------|-------------------------|------------------------|

| | | |
|--|---------------|-------------|
| Automatic, Personalized Online Information and Product Services | June 20, 2000 | 09/597,975 |
| System and Method of Automatic Verification of Human-to Human Transactions over the telephone | July 20, 2002 | 10/199,679 |
| System and Method of Automatic Speaker Separation | March 6, 2003 | 10/379,527 |
| System and Method of Call Classification | June 18, 2004 | 10/871,183 |
| System and Method of Call Classification With Context Modeling Based on Composite Words | June 18, 2004 | 10/871, 181 |
| System and Method for Searching, Indexing, and Classifying Multimedia Files, Audio/Speech Conversation, Meetings ad News Broadcast | June 18, 2004 | 10/871,177 |

TRADEMARKS

| <u>Mark</u> | <u>Registration Date</u> | <u>Registration No.</u> |
|-------------|--------------------------|-------------------------|
| SpeechMiner | August 26, 2003 | 2,757,525 |
| Utopy | August 26, 2003 | 2,757,526 |

TRADEMARK APPLICATIONS

| <u>Mark</u> | <u>Application Date</u> | <u>Application No.</u> |
|-------------|-------------------------|------------------------|
| None | | |

MASK WORKS

| <u>Description</u> | <u>Registration Date</u> | <u>Registration No.</u> |
|--------------------|--------------------------|-------------------------|
| None | | |

LICENSES OF PATENTS, TRADEMARKS, COPYRIGHTS OR MASK WORKS
(other than non-exclusive licenses to end-users)

- 1.

**EXHIBIT D
TO SECURITY AGREEMENT**

COMPANY PROFILE

1. **Name.** The legal name of Company is and the address of its chief executive office is:
Utopy, Inc.
330 Fell Street
San Francisco, CA 94102

2. **Organizational Identification Number; Federal Employer Identification Number.** The Company's organizational identification number in its state of incorporation is 3073416 and Company's federal employer identification number is 943335789.

3. **State of Incorporation; Prior Names.** Company was incorporated on July 22, 1999 in the state of Delaware. Since its incorporation Company has had the following legal names (other than its current legal name):

| <u>Prior Name</u> | <u>Date Company's Name Was Changed From Such Name</u> |
|-------------------|---|
| N/A | N/A |

4. Company does business under the following trade names:

| <u>Trade Name</u> | <u>Is This Name Registered?</u> | <u>Registration No.</u> | <u>Registration Date</u> |
|-------------------|---------------------------------|-------------------------|--------------------------|
| Utopy | Yes | 2,757,526 | August 26, 2003 |

5. **Place of Business.** Company has the following places of business:

| <u>Address</u> | <u>Owner of Location</u> | <u>Brief Description of Assets and Value</u> |
|--|--------------------------|--|
| 330 Fell Street San Francisco, CA 94102 | Kurt Abney | |

6. **Assets in Possession of Third Parties.** The following are names and addresses of all persons or entities other than Company, such as lessees, consignees, warehousemen or purchasers of chattel paper, which have possession or are intended to have possession of any of the Collateral consisting of instruments, chattel paper, inventory or equipment:

| <u>Name</u> | <u>Mailing Address</u> | <u>County</u> | <u>State</u> |
|-------------|------------------------|---------------|--------------|
| None. | | | |

7. **Qualification To Do Business.** Company is qualified to do business in the following states:
California

8. **Existing Security Interests.** Company's assets are subject to the following security interest of Persons other than the Collateral Agent:

| <u>Assets</u> | <u>Name of Investor</u> |
|---------------|-------------------------|
| None | |

9. **Tax Assessments.** The following tax assessments are currently outstanding and unpaid:

| <u>Assessing Authority</u> | <u>Amount and Description</u> |
|----------------------------|-------------------------------|
| None | |

10. **Guaranties.** Company has directly or indirectly guaranteed the following obligations of third parties:

| <u>Investor</u> | <u>Amount</u> | <u>Company</u> |
|-----------------|---------------|----------------|
| None | | |

11. **Subsidiaries.** Company has the following subsidiaries (list jurisdiction and date of incorporation, federal employer identification number, type and value of assets):
None

12. **Securities; Instruments.** The following is a complete list of all stocks, bonds, debentures, notes and other securities and investment property owned by Company (provide name of issuer, whether certificated or uncertificated, certificate no. (if applicable), number of shares):
None

13. **Bank Accounts; Securities Accounts:** The following is a complete list of all bank accounts and securities accounts maintained by Company (provide name and address of depository bank (or brokerage firm), type of account and account number):

Wells Fargo Bank
464 California Street
San Francisco, CA 94163

| Account Name | Account Number |
|-------------------|---------------------|
| Business Checking | 0311-293245 |
| Market Rate | 640-3879166 |
| MasterCard | 5474 6342 4536 0625 |
| MasterCard | 5474 6342 4536 0633 |

Wells Fargo Funds
P.O. Box 8266
Boston, MA 02266

| Account Name | Account Number |
|---------------|----------------|
| Institutional | 250-2244402590 |

UBS AG Jersey
P.O. Box 350, St Hellier
Jersey JE4 8UJ

| Account Name | Portfolio Number |
|--------------|------------------|
| Utopy Inc | 473308.01 |

EXHIBIT E
LIENS

Judgment lien in favor of Datamonitor. The underlying judgment has been satisfied in full.

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