

09-28-2005

DEPARTMENT OF COMMERCE
Patent and Trademark Office

91266

RECORD
TRAIL



103090928

To the Director of the U. S. Patent and Trademark

Use new address(es) below.

1. Name of conveying party(ies):

Incisive Interactive Marketing LLC

- Individual(s)
- General Partnership
- Corporation- State: _____
- Other Limited Liability Company
- Association
- Limited Partnership

Citizenship (see guidelines) Delaware

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: The Royal Bank of Scotland
 Internal Address: _____
 Street Address: 280 Bishopsgate
 City: London
 State: _____
 Country: United Kingdom Zip: EC2M 4RB

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship _____
- Other banking assoc. Citizenship Scotland

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)

3. Nature of conveyance / Execution Date(s) :

Execution Date(s) August 2, 2005

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

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,514,183

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):
SEARCH ENGINE STRATEGIES

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

Name: James C. Davis, Jr.

Internal Address: _____

Street Address: 401 South Tryon Street, Suite 3000

City: Charlotte

State: North Carolina Zip: 28203

Phone Number: (704) 335-9873

Fax Number: (704) 334-4706

Email Address: jamesdavis@parkerpoe.com

6. Total number of applications and registrations involved:

5

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 140.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

9. Signature:

James C. Davis, Jr.
Signature

9/21/05
Date

BYRNE 00000004 2514183

40.00 DP
100.00 DP
Name of Person Signing

Total number of pages including cover sheet, attachments, and document: **37**

09/27/2005

01 FC:8521
02 FC:8522

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

Recordation Form Cover Sheet - Trademarks Only

Continuation of Question No. 2 - Domestic Representative Name and Address:

Charles B. Lee, Jr., Esq.
Parker Poe Adams & Bernstein L.L.P.
Suite 3000
401 South Tryon Street
Charlotte, North Carolina 28202

Recordation Form Cover Sheet – Trademarks Only

Continuation of Question No. 4 – Application number(s) or registration number(s) and identification or description of Trademark

Registration No.

Identification

2,253,037

SEARCH ENGINE WATCH

76/131,490

CLICKZ

75/527,546

CLICKZ

76/131,489

CLICKZ

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of August 2, 2005 (this "Agreement"), is made by and between **INCISIVE INTERACTIVE MARKETING LLC**, a Delaware limited liability company ("Grantor"), and **THE ROYAL BANK OF SCOTLAND PLC**, a banking association chartered under the laws of Scotland, in its capacity as Security Agent (as defined in the Facilities Agreement) for the benefit of the Security Beneficiaries (as defined in the Facilities Agreement) (in such capacity, the "Bank" or the "Secured Party").

Statement of Purpose

A. The Secured Party and Incisive Media plc (the "Borrower") have entered into that certain Supplemental Agreement to a Senior Term and Guarantee Facilities Agreement dated 5 September 2002 (as amended, modified, restated, extended, renewed, replaced and substituted, the "Facilities Agreement"). The Facilities Agreement will confer a direct pecuniary benefit to the Grantor.

B. Grantor has entered into a Guaranty Agreement (the "Guaranty") of even date herewith to guarantee the Borrower's obligations under the Facilities Agreement.

C. The Secured Party was not willing to enter into the Facilities Agreement without the execution and delivery by the Grantor of this Security Agreement to secure Borrower's obligations under the Facilities Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto hereby agree as follows:

SECTION 1. Definitions. Unless the context otherwise requires, all capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Facilities Agreement. For purposes of this Agreement, the following terms shall have the following meanings (all terms defined in this Agreement in the singular to have the same meanings when used in the plural and vice versa):

"Account Debtor" means any Person who is or may become obligated to a Grantor under, with respect to, or on account of, an Account.

"Accounts" means all "accounts" (as defined in the UCC) now or hereafter owned or acquired by a Grantor or in which a Grantor now or hereafter has or acquires any right or interest, and, in any event, shall also include, without limitation, all accounts receivable, all management and similar fees payable to a Grantor, contract rights, book debts, notes, drafts and other obligations or indebtedness owing to a Grantor arising from the sale, lease, consignment or exchange of goods or other property by it or property to be sold, leased, consigned or exchanged, or the performance of services by it, or to be performed, and all of a Grantor's rights to any goods, services or other property represented by any of the foregoing (including returned or repossessed goods and unpaid sellers' rights of rescission, replevin, reclamation and rights to stoppage in transit) and all monies due to or to become due to a Grantor under all contracts for

the sale, lease, consignment or exchange of goods or other property or the performance of services by it (whether or not yet earned by performance on the part of such Grantor), in each case whether now in existence or hereafter arising or acquired, including, without limitation, the right to receive the proceeds of such contracts and all collateral security and guarantees of any kind given by any Person with respect to any of the foregoing.

“Applicable Law” means any statute, law, regulation, ordinance, rule, judgment, order, decree, permit, approval, confession, grant, franchise, license, agreement, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by any Governmental Authority, whether now or hereafter in effect with respect to any Grantor for any property of such Grantor.

“Best Knowledge” means the knowledge of Grantor based solely upon the due diligence it has conducted and the responses it has received from Jupitermedia Corporation, its affiliates, officers, directors, agents and representatives, subject to all the limitations of such due diligence investigation arising out of the list of outstanding information and other limitations as set forth in the Report of Legal Review of Carter, Ledyard & Milburn dated _____, 2005.

“Collateral” shall have the meaning given thereto in Section 2(b).

“Collateral Account” means a cash collateral account established by a Grantor with a depository institution in the name and under the exclusive dominion and control of the Secured Party, pursuant to Section 6 hereof.

“Consignee” means any Person with whom a Grantor has placed any Inventory on consignment.

“Copyright License” means any written agreement now or hereafter in existence granting to a Grantor any right to use any Copyright.

“Copyrights” means, collectively, all of the following now owned or hereafter created or acquired by the Grantor: (a) all copyrights, rights and interests in copyrights, works protectable by copyright, copyright registrations and copyright applications, including, without limitation, any thereof referred to on Schedule I hereto; (b) all renewals of any of the foregoing; (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing; (d) the right to sue for past, present and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world.

“Deposit Accounts” means all demand, time, savings passbook or similar accounts now or hereafter maintained by or for the account of the Grantor, including without limitation _____.

“Documents” means all “documents” (as defined in the UCC) or other receipts covering, evidencing or representing goods or services, now or hereafter owned or acquired by the Grantor or in which the Grantor now or hereafter has or acquires any right or interest.

“Equipment” means all “equipment” (as defined in the UCC) of the Grantor, wherever located, and all other machinery, equipment and goods (other than Inventory) of the Grantor used or bought for use primarily in the business of such Grantor, including all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor, in all such cases whether now owned or hereafter acquired by the Grantor or in which the Grantor now has or hereafter acquires any right or interest.

“Event of Default” shall have the meaning attributed to it in the Facilities Agreement.

“Facilities Agreement” shall have the meaning ascribed to that term in the recitals to this Agreement.

“Financing Statements” means the Uniform Commercial Code Form UCC Financing Statements authorized by the Grantor with respect to the Collateral and to be filed in the jurisdictions set forth in the Security Questionnaire.

“Fixtures” means all fixtures (as defined in the UCC) now or hereafter owned or acquired by the Grantor or in which the Grantor now or hereafter has or acquires any right or interest.

“General Intangibles” means all “general intangibles” (as defined in the UCC) now or hereafter owned or acquired by the Grantor or in which the Grantor now or hereafter has or acquires any right or interest, and, in any event, shall mean and include, without limitation, all rights to indemnification, and all rights, title and interest which the Grantor may now or hereafter have in or under all contracts (excluding contracts described in the definition of Accounts), agreement, permits, licenses (which contracts, agreement, permits and licenses may be pledged pursuant to the terms thereof), causes of action, franchises, tax refund claims, customer lists, Intellectual Property, license royalties, goodwill, trade secrets, data bases, business records and all other intangible property of every kind and nature; provided that for the purpose of Section 2 hereof, the grant, assignment, transfer, mortgage, hypothecation and pledge of General Intangibles (which includes, as noted herein, Intellectual Property) set forth therein shall not include any intent to use application or registration of trademark prior to the filing of a verified statement of use.

“Goods” means all “goods” (as defined in the UCC) now or hereafter owned or acquired by the Grantor or in which the Grantor now or hereafter have or acquire any right or interest.

“Guaranty” means that certain Guaranty dated as of even date from the Grantor, for the benefit of the Secured Party, as the same may be amended, restated, supplemented, renewed, extended or otherwise modified from time to time.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Instruments” means all “instruments”, “chattel paper” or “letters of credit” (each as defined in the UCC), including, without limitation, instruments, chattel paper and letters of credit evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any of the Accounts, including (but not limited to) promissory notes, drafts, bills of exchange and trade acceptances, whether electronic, tangible or otherwise, now or hereafter owned or acquired by any Grantor or in which any Grantor now or hereafter has or acquires any right or interest.

“Intellectual Property” means, collectively, (a) all systems software and applications software, including, but not limited to, screen displays and formats, program structures, sequence and organization, all documentation for such software, including, but not limited to, user manuals, flowcharts, programmer's notes, functional specifications, and operations manuals, all formulas, processes, ideas and know-how embodied in any of the foregoing, and all program materials, flowcharts, notes and outlines created in connection with any of the foregoing, whether or not patentable or copyrightable, (b) concepts, discoveries, improvements and ideas, (c) any useful information relating to the items described in clause (a) or (b), including know-how, technology, engineering drawings, reports, design information, trade secrets, practices, laboratory notebooks, specifications, test procedures, maintenance manuals, research, development, manufacturing, marketing, merchandising, selling, purchasing and accounting, (d) Patents, Patent rights and Patent applications, Copyrights and Copyright applications, Trademarks, Trademark rights, trade names, trade name rights, service marks, service mark rights, applications for registration of Trademarks, trade names and service marks, and Trademark, trade name and service mark registrations and Patent Licenses, Trademark Licenses and Copyright Licenses, (e) other licenses to use any of the items described in the foregoing clauses (a), (b), (c) and (d) or any other similar items of the Grantor necessary for the conduct of its business and (f) all goodwill associated with the items described in the foregoing clauses (a), (b), (c), (d) and (e); provided that for purpose of Section 4(e)(iii) hereof, the assignment, transfer and conveyance of the Intellectual Property set forth therein shall not include any intent to use application or registration of trademark prior to the filing of a verified statement of use.

“Inventory” means all “inventory” (as defined in the UCC) now or hereafter owned or acquired by any Grantor or in which any Grantor now or hereafter has or acquires any right or interest, wherever located, inventory and other materials and supplies, work-in-process, finished goods, all accessions thereto, documents therefor and any products made or processed therefrom, all substances, if any, commingled therewith or added thereto (including, without limitation, any of the foregoing in which a Grantor has an interest as a consignor).

“Investment Property” means all of the Grantor's' right, title and interest, whether now existing or hereafter arising or created, in any stocks, bonds, securities, securities accounts, security entitlements and/or similar property.

“Liens” means all liens, collateral assignments, security interests, mortgages, lien pledge, charges, or encumbrances of any kind in respect of any asset including, without limitation, the

rights of any vendor or lessor of such asset under any conditional sale agreement, capital lease or other title retention agreement relating to any such asset.

“Loan Documents” means the Facilities Agreement, the Guaranty, this Agreement, and any other current or future document now or hereafter evidencing, securing or otherwise relating to the Secured Obligations.

“Patent License” means any written agreement now or hereafter in existence granting to any Grantor any right to use any invention on which a Patent is in existence.

“Patents” means, collectively, all of the following now owned or hereafter created or acquired by a Grantor: (a) all patents and patent applications including all patentable inventions, including, without limitation, any thereof referred to on Schedule II hereto; (b) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing; (c) all income, royalties, damages or payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing; (d) the right to sue for past, present and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world.

“Permitted Security Interests” means all such Liens respecting the Collateral specifically permitted under the Facilities Agreement.

“Person” means any individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or any other entity of whatever nature.

“Proceeds” means all proceeds of, and all other profits, rentals or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon, Collateral, including, without limitation, all claims of a Grantor against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral, and any condemnation or requisition payments with respect to any Collateral and all Collateral acquired with the cash proceeds of any other Collateral.

“Security Interests” means the security interests granted pursuant to Section 2 hereof, as well as all other security interests created or assigned as additional security for the Secured Obligations pursuant to the provisions of this Agreement.

“Secured Obligations” means all current and future indebtedness of the Borrower and/or the Grantor to the Secured Party including without limitation all current and future obligations under the Facilities Agreement, the Guaranty and/or the other Loan Documents and any replacements, substitutions, amendments, modifications, renewals or extensions of any of the foregoing.

“Security Questionnaire” means the security questionnaire of the Grantor dated as of _____, 2005, setting forth the corporate or company names, chief executive office or

principal place of business in each state and other current locations of Collateral of such Grantor and such other information as the Secured Party deems pertinent to the perfection of security interests, completed and supplemented with the schedules and attachments contemplated thereby to the satisfaction of the Secured Party.

“Trademark License” means any written agreement now or hereafter in existence granting to any Grantor any right to use any Trademark.

“Trademarks” means, collectively, all of the following now owned or hereafter created or acquired by any Grantor: (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision of any thereof, including without limitation any thereof referred to on Schedule II hereto; (b) all reissues, extensions and renewals of any of the foregoing; (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing; (d) the right to sue for past, present and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world.

“UCC” means the Uniform Commercial Code as in effect in the State of New York; provided, that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the Security Interests in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, “UCC” means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

“Vehicles” means, cars, trucks, trailers, construction and earth moving new or hereafter owned by any Grantor and all other good generally subject to a “certificate of title” (as defined in the UCC).

SECTION 2. The Security Interests.

(a) In order to secure the Facilities Agreement and the other Loan Documents in accordance with the terms thereof, and to secure the prompt payment and performance of all of the Secured Obligations, the Grantor hereby grants, assigns, transfers, mortgages, hypothecates, pledges and sets over to the Secured Party, a continuing security interest in and to all of such Grantor's estate, right, title and interest in and to all the following property of such Grantor wherever located, whether now or hereafter owned or acquired by such Grantor or in which such Grantor now has or hereafter has or acquires any estate, right, title or interest:

- i. Accounts;
- ii. Inventory;

- iii. Documents;
- iv. Equipment;
- v. Instruments;
- vi. General Intangibles;
- vii. Goods;
- viii. Fixtures;
- ix. Deposit Accounts;
- x. Investment Property;
- xi. Vehicles;
- xii. The Collateral Account, all cash deposited therein from time to time, the investments made pursuant to Section 6 hereof and other monies and property of any kind of the Grantor in the possession or under the control of the Secured Party;
- xiii. All books and records (including, without limitation, customer lists, credit files, computer programs, printouts and other computer materials and records) of the Grantor pertaining to any of the Collateral;
- xiv. All other goods and personal property of the Grantor, whether tangible or intangible; and
- xv. All products and Proceeds of all or any of the Collateral described in clauses (i) through (x) hereof.

(b) All of the assets and rights and interests in or to property described in subsection (a) of this Section 2 and all other assets and rights and interests in or to property, whether now owned or hereafter acquired by any Grantor, which shall from time to time secure the Secured Obligations, whether pursuant to the Loan Documents or otherwise, are hereafter collectively referred to as the "Collateral".

(c) The Security Interests are granted as security only and shall not subject the Secured Party to, or transfer to the Secured Party, or in any way affect or modify, any obligation or liability of any Grantor with respect to any of the Collateral or any transaction in connection therewith.

SECTION 3. Representations and Warranties. The Grantor represents and warrants as follows:

(a) Grantor has the corporate or other applicable power and authority and the legal right to execute and deliver, to perform its obligations under, and to grant the Security Interests in the Collateral pursuant to, this Agreement and has taken all necessary corporate or other applicable action to authorize its execution, delivery and performance of, and grant of the Security Interests in the Collateral pursuant to, this Agreement.

(b) This Agreement constitutes a legal, valid and binding obligation of the Grantor enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of Secured Party's rights generally.

(c) To the Grantor's best knowledge, the execution, delivery and performance of this Agreement will not violate any provision of any Applicable Law or contractual obligation of any Grantor and will not result in the creation or imposition of any Lien on any of the properties or revenues of any Grantor pursuant to any Applicable Law or contractual obligation of any Grantor, except as contemplated hereby.

(d) No consent or authorization of, filing with, or other act by or in respect of, any arbitrator or Governmental Authority and no consent of any other Person (including, without limitation, any stockholder or Secured Party of any Grantor), is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement, except for the filing of UCC financing statements and, with respect to the Patents, the Copyrights and the Trademarks, the filing of applicable documentation in, as applicable, the U.S. Patent and Trademark Office and the U.S. Copyright Office with respect to any Trademarks arising under any state or federal law of the United States of America, and compliance with the comparable Applicable Law of the applicable Governmental Authority with respect to all other Trademarks.

(e) To the Grantor's best knowledge, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Grantor after due inquiry, threatened by or against any Grantor or against any of its properties or revenues with respect to this Agreement or any of the transactions contemplated hereby.

(f) The Grantor is the owner of, and have good and marketable title to, the Collateral, free and clear of any Liens other than Permitted Security Interests.

(g) To the Grantor's Best Knowledge, no Grantor has performed or failed to perform any acts that would prevent or hinder the Secured Party from enforcing any of the terms of this Agreement. To the Grantor's Best Knowledge, no financing statement, mortgage, security agreement or similar or equivalent document or instrument covering all or any part of the Collateral is on file or of record in any jurisdiction, except with respect to Permitted Security Interests.

(h) All of the information set forth in questions 1, 2, and 8 of the Security Questionnaire are true and correct as of the date hereof. Grantor makes no representations with respect to the answers to questions in the Security Questionnaire provided by Mitchell Eisenberg of Jupitermedia Corporation. With respect to all other information in the Security Questionnaire (questions not enumerated above or answered by Mitchell Eisenberg of Jupitermedia Corporation), Grantor has no contrary evidence and no reason to suspect that the answers given are incorrect or untrue in any manner.

(i) The Grantor has, contemporaneously herewith, delivered to the Secured Party possession of all chattel paper, certificated securities, negotiable Instruments (other than checks and other routine items in the process of collection in the ordinary course of business) and documents constituting Collateral currently owned or held by the Grantor, if any (duly endorsed in blank, if requested by the Secured Party).

(j) With respect to any Intellectual Property listed on Schedule I or II hereto:

- i. to Grantor's Best Knowledge such Intellectual Property is subsisting and has not been adjudged invalid or unenforceable, in whole or in part;
- ii. such Intellectual Property is valid and enforceable;
- iii. other than as disclosed on Schedule I or II, the Grantor has made or will make all reasonable efforts as soon as practicable after closing, to make all necessary filings and recordations to protect its interest in such Intellectual Property, including, without limitation, recordations of all of its interests in the Trademarks in the United States Patent and Trademark Office and its claims to the Copyrights in the United States Copyright Office, but such filings and recordations must be made no later than sixty (60) days after closing, provided that any filings or recordations that require Seller action to perfect must occur no later than one hundred and twenty (120) days after closing;
- iv. the Grantor is the exclusive owner of the entire and unencumbered right, title and interest in and to such Intellectual Property and, to the Grantor's Best Knowledge, no claim has been made that the use of such Intellectual Property does or may violate the asserted rights of any third party; and
- v. the Grantor has performed and will continue to perform all acts and have 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 except where the failure to do so could not be seen as potentially having a material adverse effect on the Grantor.

(k) To the Grantor's best knowledge, Grantor has performed or failed to perform any acts that would prevent or hinder the Secured Party from enforcing any of the terms of this Agreement. To the Grantor's best knowledge, other than financing statements or other similar or equivalent documents or instruments with respect to Permitted Security Interests, no financing statement, mortgage, security agreement or similar or equivalent document or instrument covering all or any part of the Collateral of the Grantor is on file or of record in any jurisdiction. No Collateral of the Grantor is in the possession of any Person (other than a Grantor) asserting any claim thereto or security interest therein, except that the Secured Party or its designee may have possession of the Collateral as contemplated hereby and a bailee may have possession of the Collateral as contemplated by, and so long as, the Grantor has complied with Section 4(c)(ii) hereof.

(l) The Financing Statements are in appropriate form and when filed in the offices specified in the Security Questionnaire (and, with respect to the Collateral Account, control of the Collateral Account by a bailee of Secured Party), the Security Interests will constitute valid and perfected security interests in the Collateral subject only to the Permitted Security Interests and all filings and other actions necessary or desirable to perfect and protect such Security Interests have been duly taken.

(m) With respect to any Inventory of the Grantor: (i) all such Inventory is, and shall be at all times, located at places of business listed in the Security Questionnaire or as to which a Grantor has complied with the provisions of Section 4(a)(i) hereof, except Inventory in transit from one such location to another such location; (ii) no Inventory is, nor shall at any time or times be, subject to any Lien whatsoever, except for Permitted Security Interests; (iii) no Inventory in aggregate value exceeding \$100,000 at any time is, nor shall at any time or times be, kept, stored or maintained with a bailee, warehouseman, carrier or similar party (other than a carrier delivering Inventory to a purchaser in the ordinary course of a Grantor's business) unless the Secured Party shall have received prior written notice of such storage and such Grantor has complied with the provisions of Section 4(a)(iv) hereof; and (iv) no Inventory in aggregate value exceeding \$100,000 at any time is, nor shall at any time or times be, kept, stored or maintained with a consignee unless the Secured Party shall have received prior written notice of such consignment and the Grantor has complied with the provisions of Section 4(c)(ii) hereof.

(n) The Inventory, Fixtures, Equipment, and Vehicles are insured in accordance with the requirements hereof and of the Facilities Agreement.

SECTION 4. Further Assurances; Covenants.

(a) General.

- i. No Grantor shall (i) change the location of such Grantor's chief executive office or principal place of business in any state or (ii) change the locations where such Grantor keeps or holds any Collateral or any records relating thereto from the applicable location described in the Security Questionnaire or (iii) change such Grantor's name, identity or corporate or company structure in any manner, unless such Grantor shall have given the Secured Party thirty (30) days prior written notice thereof, executed

and delivered to the Secured Party all financing statements and financing statement amendments that the Secured Party may request in connection therewith and, if requested by the Secured Party, delivered an opinion of counsel with respect thereto in accordance with Section 4(a)(v) hereof; provided, however, that such Grantor may keep Inventory at, or in transit to, any location described in the Security Questionnaire. No Grantor shall in any event change the location of any Collateral if such change would cause the Security Interests in such Collateral to lapse or cease to be perfected.

- ii. The Grantor shall, promptly upon request, provide to the Secured Party all information and evidence the Secured Party may reasonably request concerning the Collateral to enable the Secured Party to enforce the provisions of this Agreement. Upon an Event of Default, the Grantor shall promptly deliver to the Secured Party any Collateral consisting of (x) negotiable documents or Instruments, duly endorsed in blank if requested by the Secured Party and (y) chattel paper, which shall be marked as set forth in Section 5(a) hereof.
- iii. The Grantor shall maintain the Secured Party's Lien on the Collateral as a first priority perfected Lien thereon subject only to Permitted Security Interests. In connection therewith, the Grantor will, from time to time, at their expense, execute, deliver, file and record any statement, assignment, instrument, document, agreement or other paper and take any other action (including, without limitation, any filings of financing or continuation statements under the UCC, any filings with the United States Patent and Trademark Office and United States Copyright Office) that from time to time may be necessary, or that the Secured Party may reasonably request, in order to create, preserve, upgrade in rank, perfect, confirm or validate the Security Interests or to enable the Secured Party to obtain the full benefits of this Agreement, or to enable the Secured Party to exercise and enforce any of its rights, powers and remedies hereunder with respect to any of the Collateral. Prior to the irrevocable payment in full of the Secured Obligations, the Grantor hereby authorizes the Secured Party to execute and file financing statements, financing statement amendments or continuation statements without a Grantor's signature appearing thereon. The Grantor agrees that a carbon, photographic, photostatic or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement. The Grantor shall pay the reasonable costs of, or incidental to, any recording or filing of the Financing Statements and any other financing statements, financing statement amendments or continuation statements concerning the Collateral.
- iv. If any Collateral exceeding in value \$100,000 in the aggregate is at any time in the possession or control of any warehouseman, bailee (other than a carrier transporting Inventory to a purchaser in the ordinary course of business), or any Grantor's agents or processors, the Grantor shall notify in

writing such warehouseman, bailee, agent or processor of the Security Interests created hereby, shall obtain such warehouseman's, bailee's, agent's or processor's agreement in writing to hold all such Collateral for the Secured Party's account subject to the Secured Party's instructions, and shall cause such warehouseman, bailee, agent or processor to issue and deliver to the Secured Party warehouse receipts, bills of lading or any similar documents relating to such Collateral in the Secured Party's name and in form and substance acceptable to the Secured Party.

v. The Grantor will comply in all material respects with all Applicable Laws applicable to the Collateral or any part thereof or to the operation of the Grantor's business.

vi. The Grantor will pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of its income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral or contest the same in good faith by appropriate proceedings.

vii. The Grantor shall not:

(1) sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral, other than as specifically permitted under the Facilities Agreement; or

(2) create or suffer to exist any Lien or other charge or encumbrance upon or with respect to any of the Collateral to secure indebtedness of any Person or entity, except Permitted Security Interests.

(b) Accounts, Etc.

i. The Grantor shall use all reasonable efforts to cause to be collected from its Account Debtors, as and when due, any and all amounts owing under or on account of each Account (including, without limitation, Accounts which are delinquent, such Accounts to be collected in accordance with lawful collection procedures) and to apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account. The costs and expenses (including, without limitation, attorney's fees), of collection of Accounts incurred by any Grantor or the Secured Party shall be borne by the Grantor.

ii. Upon the occurrence and during the continuance of any Event of Default, upon request of the Secured Party, the Grantor will promptly notify (and the Grantor hereby authorizes the Secured Party so to notify) each Account Debtor in respect of any Account that such Account has been assigned to the Secured Party hereunder and that any payments due or to

become due in respect of such Account are to be made directly to the Secured Party or its designee.

- iii. The Grantor will perform and comply with all of its obligations in respect of Accounts and General Intangibles and the exercise by the Secured Party of any of its rights hereunder shall not release any such Grantor from any of its duties or obligations.
- iv. Without Secured Party's consent, which shall not be unreasonably withheld, no Grantor shall (A) amend, modify, terminate or waive any material provision of any agreement giving rise to an Account or a General Intangible in any manner which could reasonably be expected to materially adversely affect the value of such Account as Collateral, or (B) fail to exercise promptly and diligently each and every material right which it may have under each agreement giving rise to an Account (other than any right of termination) except as may be undertaken by such Grantor in the ordinary course of business as generally conducted by such Grantor over a period of time.
- v. Other than in the ordinary course of business as generally conducted by the Grantor over a period of time, without the Secured Party's consent, no Grantor shall grant any extension of the time of payment of any of the Accounts with a face amount in excess of \$50,000 or compromise, compound or settle the same for less than the full amount thereof, release, wholly or partially, any Person liable for the payment thereof, or allow any credit or discount whatsoever thereon.

(c) Inventory, Etc.

- i. At the request of the Secured Party, but if no Event of Default has occurred and is continuing, not more frequently than once every 12 months, the Grantor shall deliver to the Secured Party a Schedule of Inventory which schedule shall, unless otherwise indicated thereon, constitute a representation with respect to the Qualified Inventory listed thereon or referred to therein that: (A) all such Inventory is located at places of business listed in the Security Questionnaire or as to which the Grantor has complied with the provisions of Section 4(a)(i) hereof or on the premises identified on the then current Schedule of Inventory or is Inventory in transit from one such location to another such location; (B) no such Inventory is subject to any Lien whatsoever, except for Permitted Security Interests; (C) no such Inventory in aggregate value exceeding \$100,000 at any time is, nor shall at any time or times be, kept, stored or maintained with a bailee, warehouseman, carrier or similar party (other than a carrier delivering Inventory to a purchaser in the ordinary course of a Grantor's business) unless the Secured Party has given its prior written consent and the Grantor has complied with the provisions of Section 4(a)(iv) hereof.

- ii. If at any time during the term of this Agreement, any Inventory having an aggregate value in excess of \$100,000 is or has been placed by any Grantor on consignment, the Grantor shall promptly so notify the Secured Party with reasonable specificity as to the Inventory involved, the name and address of the Consignee and the location of all consigned Inventory and, if so requested by the Secured Party, the Grantor shall also immediately: (A) provide the Secured Party with all consignment agreements and other instruments and documentation to be used in connection with such consignment, all of which agreements, instruments and documentation shall be reasonably acceptable in form and substance to the Secured Party; (B) prepare, execute and file appropriate financing statements with respect to any consigned Inventory showing the Consignee as debtor, the Grantor as secured party and the Secured Party as assignee of secured party; (C) prepare, execute and file appropriate financing statements with respect to any consigned Inventory showing the Grantor as debtor and the Secured Party as secured party; (D) after all financing statements referred to in clauses (B) and (C) above shall have been filed, conduct a search of all filings made against the Consignee in all jurisdictions in which the Inventory to be consigned is to be located while on consignment, and deliver to the Secured Party copies of the results of all such searches; (E) notify, in writing, all Secured Parties of the Consignee which would be holders of security interests in the Inventory to be consigned that the Grantor expects to deliver certain Inventory to the Consignee, all of which Inventory shall be described in such notice by item or type, and (F) if requested by the Secured Party, deliver an opinion of counsel to the effect that all financing statements and amendments or supplements thereto, continuation statements and other documents required to be recorded or filed in order to perfect and protect the Security Interests and priority thereof against all Secured Parties of and purchasers of the Grantor and such Consignee have been filed in each filing office necessary or desirable for such purposes and that all filing fees and taxes, if any, payable in connection with such filings have been paid in full.

(d) Equipment, Etc. The Grantor will maintain each item of Equipment in the same condition, repair and working order as when acquired, ordinary wear and tear and immaterial impairments of value and damage by the elements excepted, and in accordance with any manufacturer's manual, and will as quickly as practicable provide all maintenance, service and repairs necessary for such purpose and will promptly furnish to the Secured Party a statement respecting any material loss or damage to any of the Equipment.

(e) Intellectual Property.

- i. The Grantor shall notify the Secured Party promptly (a) of its acquisition after the date hereof of any Patent, Patent License, Trademark, Trademark License, Copyright or Copyright License and (b) if it knows, or has reason to know of any adverse determination or development (including, without

limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court) regarding such Grantor's ownership of any Patent or Trademark, its right to register the same, or to keep and maintain the same. In the event that any Patent, Patent License, Trademark or Trademark License is infringed, misappropriated or diluted by a third party, such Grantor shall notify the Secured Party promptly after it learns thereof and shall, unless such Grantor and the Secured Party shall jointly determine that any such action would be of immaterial economic value, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as may be appropriate under the circumstances to protect such Patent, Patent License, Trademark or Trademark License. In no event shall a Grantor, either itself or through any agent, employee or licensee, file an application for the registration of any Patent or Trademark with the United States Patent and Trademark Office or Copyright with the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, unless simultaneously therewith it informs the Secured Party, and, upon issuance of such Patent, Trademark or Copyright, executes and delivers any and all Agreement, instrument, documents and papers the Secured Party may reasonably request to evidence the Security Interests in such Patent, Trademark or Copyright and the goodwill and general intangibles of such Grantor relating thereto or represented thereby. The Grantor hereby constitutes the Secured Party its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed, and such power, being coupled with an interest, shall be irrevocable until the Facilities Agreement and the credit facilities thereunder have been terminated and the Secured Obligations are paid in full.

- ii. The Grantor shall: (a) preserve and maintain in all material respects its rights in the Intellectual Property; and (b) upon and after the occurrence and during the continuation of an Event of Default, use its best efforts to obtain any consents, waivers or Agreement necessary to enable Secured Party to exercise its remedies with respect to the Intellectual Property. Without the consent of Secured Party, no Grantor shall abandon any right to file a Copyright, Patent or Trademark application that is material to the business of such Grantor nor shall any Grantor abandon any such pending Copyright, Patent or Trademark application, or Copyright, Copyright License, Patent, Patent License, Trademark or Trademark License without the prior written consent of the Secured Party.
- iii. The Grantor hereby assigns, transfers and conveys to the Secured Party, effective upon the occurrence and during the continuance of any Event of Default, the nonexclusive right and license to use all Intellectual Property owned or used by such Grantor, together with any goodwill associated

therewith, all to the extent necessary to enable the Secured Party to realize on the Collateral (including, without limitation, completing production of, advertising for sale and selling the Collateral) and 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 any Grantor by the Secured Party.

(f) Insurance.

- i. The Grantor shall maintain, or cause to be maintained: (A) casualty, fire, flood, and extended coverage insurance (and any other insurance required by the Secured Party) with respect to the Inventory, Fixtures and Equipment (the "Insured Property") in an amount at least equal to the replacement cost thereof and naming the Secured Party as a loss payee, as its interest may appear, and (B) liability insurance with respect to third party personal and property damage, in reasonable amounts taking into consideration what is customary in the industry. The Grantor shall in any event maintain, or cause to be maintained, insurance in such amounts and covering such risks of loss as are in effect on the Closing Date.
- ii. All policies of insurance carried in accordance with this Section 4(f) shall (A) show the Secured Party as an additional insured under the liability policy, (B) provide that such insurance is primary without right of contribution from any other insurance which might otherwise be available to the Secured Party, (C) provide that in the event of any loss payment under a policy, the insurer shall waive any rights of subrogation against the Secured Party as an insured party and shall waive any set-off or counterclaim or any other deduction (subject to deductibles) whether by attachment or otherwise, (D) provide that each insurer shall give the Secured Party thirty (30) days' prior written notice before any such policy or policies issued pursuant to this Section 4(f) shall be amended, invalidated or canceled and (E) include a cross-liability endorsement providing that inasmuch as the policies are written to cover more than one insured, all terms and conditions, insuring Agreement and endorsements, with the exception of limits of liability and deductibles, shall operate in the same manner as if there were a separate policy covering each insured.
- iii. Except as otherwise expressly provided herein, no Grantor shall do or otherwise omit any act, nor voluntarily suffer or permit any act to be done or omitted, whereby any insurance required to be carried or maintained hereunder shall or may be suspended, impaired or defeated, and will not use or operate, or permit any of the Insured Property used, stored or

treated, for purposes more hazardous than permitted by the terms of the insurance policies carried by such Grantor pursuant to this Section 4(f).

- iv. The Grantor shall, at its own expense, make all proof of loss and take all other action necessary or appropriate to make collections from the underwriters of insurance required to be carried and maintained by this Section 4(f).
- v. If the Grantor shall at any time or times hereafter fail to obtain and maintain any of the policies of insurance required pursuant to this Section 4(f), or fail to pay any premium in whole or in part relating to any such policies not later than thirty (30) days before the same shall become past due, then the Secured Party may, after reasonable notice to the Grantor, obtain and cause to be maintained any or all of such policies and pay any part or all of the premiums due thereunder, without thereby waiving any default by the Grantor and any sum so disbursed by the Secured Party shall become a part of the Secured Obligations secured by the Collateral payable on demand with interest at the default rate set forth in the Facilities Agreement and any related promissory note(s).
- vi. Certificates evidencing coverage covering the risks set forth in this Section 4(f) with loss payable clauses (long form) in a form satisfactory to the Secured Party naming the Secured Party as additional insured or payee, as the case may be, shall be delivered to the Secured Party concurrently herewith and any renewal policies with respect to such insurance shall be delivered to the Secured Party not less than thirty (30) days prior to the expiration dates of the expiring policies.
- vii. The Grantor shall cause each insurer to agree by endorsement upon the policy or policies issued by it to any Grantor that such insurers shall give the Secured Party thirty (30) days' prior written notice before any such policy or policies issued pursuant to this Section 4(f) shall be amended, invalidated or canceled.

(h) Indemnification. The Grantor agrees to pay, and to save the Secured Party harmless from, any and all liabilities, costs and expenses (including, without limitation, reasonable legal fees and expenses) (i) with respect to, or resulting from, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, complying with any Applicable Law applicable to any of the Collateral or (iii) in connection with the breach by Grantor of any material provisions of this Agreement (except to the extent any such liabilities, costs and expenses result from the gross negligence or willful misconduct of the Secured Party). In any suit, proceeding or action brought by the Secured Party under any Account for any sum owing thereunder, or to enforce any provisions of any Account, the Grantor will save, indemnify and keep the Secured Party harmless from and against all reasonable expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the Account Debtor or any other obligor thereunder, arising out of a breach by the Grantor of any

obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such Account Debtor or obligor or its successors from such Grantor (except to the extent any such expense, loss or damage results from the gross negligence or willful misconduct of the Secured Party). The obligations of the Grantor under this Section 4(h) shall survive the termination of the other provisions of this Agreement; provided that after the payment of the Secured Obligations (other than indemnification obligations described in the Loan Documents that expressly survive payment in full of the Secured Obligations), the Lien on the Collateral described herein will be released.

SECTION 5. Reporting and Recordkeeping. The Grantor covenants and agrees with the Secured Party that from and after the date of this Agreement and until the Facilities Agreement and the credit facilities thereunder have been terminated and all Secured Obligations (other than indemnification obligations described in the Loan Documents that expressly survive payment in full of the other Secured Obligations) have been fully satisfied:

(a) Maintenance of Records Generally. The Grantor will keep and maintain at their own cost and expense complete and accurate records of the Collateral, including, without limitation, a record of all payments received and all credits granted with respect to the Collateral and all other dealings with the Collateral. Any chattel paper given to a Grantor with respect to any Accounts will be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interest of The Governor and Company of the Bank of Scotland". For the Secured Party's further security, the Grantor agrees that upon the occurrence and during the continuation of any Default or Event of Default, the Grantor shall deliver and turn over any such books and records directly to the Secured Party or its designee. The Grantor shall permit any representative of the Secured Party to inspect such books and records in accordance with the terms of the Facilities Agreement and will provide photocopies thereof to the Secured Party upon its reasonable request.

(b) Certain Provisions Regarding Maintenance of Records and Reporting Re: Accounts, Inventory and Equipment.

(i.) In the event any amounts due and owing in excess of \$50,000 individually or \$100,000 in the aggregate are in dispute between any Account Debtor and any Grantor, the Grantor shall provide the Secured Party with written notice thereof promptly after any Grantor's learning thereof, explaining in detail the reason for the dispute, all claims related thereto and the amount in controversy.

(ii.) If any Account Debtor returns or rejects any Inventory generating an Account on which the Account Debtor is obligated in excess of \$100,000 for any individual Account Debtor or in excess of \$200,000 in the aggregate for all Account Debtors, the Grantor shall notify the Secured Party of the same immediately, specifying the reason for such return or rejection and the location and condition of the returned Inventory.

(iii.) The Grantor will promptly upon, but in no event later than fifteen (15) Business Days after: (A) any Grantor's learning thereof, inform the Secured Party, in writing, of any material delay in a Grantor's performance of any of its obligations to any

Account Debtor and of any assertion of any claims, offsets or counterclaims by any Account Debtor and of any allowances, credits and/or other monies granted by such Grantor to any Account Debtor, in each case involving amounts in excess of \$50,000 for any single Account or Account Debtor or in excess of \$100,000 in the aggregate for all Accounts and Account Debtors; and (B) a Grantor's receipt or learning thereof, furnish to and inform the Secured Party of all adverse information relating to the financial condition of any Account Debtor with respect to Accounts exceeding \$50,000 individually or \$100,000 in the aggregate.

(iv.) The Grantor will promptly notify the Secured Party in writing if any Account, the face value of which exceeds \$50,000 arises out of a contract with the United States of America, or any department, agency, subdivision or instrumentality thereof, or of any state (or department, agency, subdivision or instrumentality thereof) where such state has a state assignment of claims act or other law comparable to the Federal Assignment of Claims Act, and will take any action required or requested by the Secured Party or give notice of the Secured Party's Security Interest in such Accounts under the provisions of the Federal Assignment of Claims Act or any comparable law or act enacted by any state or local governmental authority.

(c) Further Identification of Collateral. The Grantor will, if so requested by the Secured Party, furnish to the Secured Party 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.

(d) Notices. In addition to the notices required by Section 5(b) hereof, the Grantor will advise the Secured Party promptly, in reasonable detail, (i) of any material Lien or claim made or asserted against any of the Collateral, (ii) of any material adverse change in the composition of Collateral, and (iii) of the occurrence of any other event which could have a material adverse effect on the Collateral or on the validity, perfection or priority of the Security Interests.

SECTION 6. Collateral Account.

(a) Upon the occurrence and during the continuance of an Event of Default, upon notice to do so from the Secured Party, the Grantor shall establish with a bank satisfactory to the Secured Party a Collateral Account in the name and under the exclusive dominion and control of the Secured Party. There shall be deposited from time to time into this Collateral Account the cash proceeds of the Collateral required to be delivered to the Secured Party pursuant to Section 6(b) hereof or any other provision of this Agreement. Any income received by the Secured Party with respect to the balance from time to time standing to the credit of the Collateral Account, including any interest or capital gains on investments of amounts on deposit in the Collateral Account, shall remain, or be deposited, in the Collateral Account, shall vest in the Secured Party, shall constitute part of the Collateral hereunder and shall not constitute payment of the Secured Obligations until applied thereto as hereinafter provided.

(b) Upon the occurrence and during the continuance of an Event of Default, if requested by the Secured Party, the Grantor shall instruct all Account Debtors and other Persons

obligated in respect of all Accounts to make all payments in respect of the Accounts either (i) directly to the Secured Party (by instructing that such payments be remitted to a post office box which shall be in the name and under the exclusive dominion and control of the Secured Party) or (ii) to one or more other depositary banks in any state in the United States (by instructing that such payments be remitted to a post office box which shall be in the name and under the exclusive dominion and control of the Secured Party) under a Lockbox Letter substantially in the form of Annex I hereto duly executed by the Grantor and the applicable depositary bank or under other arrangements, in form and substance satisfactory to the Secured Party, pursuant to which the Grantor shall have irrevocably instructed such depositary bank (and such other depositary bank shall have agreed) to remit all proceeds of such payments directly to the Secured Party for deposit into the Collateral Account or as the Secured Party may otherwise instruct such depositary bank, and thereafter if the proceeds of any Collateral shall be received by any Grantor, such Grantor will promptly deposit such proceeds into the Collateral Account and until so deposited, all such proceeds shall be held in trust by such Grantor for and as the property of the Secured Party and shall not be commingled with any other funds or property of any Grantor. At any time after the occurrence and during the continuance of an Event of Default, the Secured Party may itself so instruct any Grantor's Account Debtors. All such payments made to the Secured Party shall be deposited in the Collateral Account.

SECTION 7. General Authority.

(a) All Grantor hereby irrevocably appoints the Secured Party its true and lawful attorney, with full power of substitution, in the name of such Grantor, the Secured Party, or otherwise, for the sole use and benefit of the Secured Party, but at such Grantor's expense, to exercise, at any time from time to time all or any of the following powers:

- i. to file the Financing Statements and any financing statements, financing statement amendments and continuation statements referred to in Sections 4(a)(i), 4(a)(iii) and 4(c)(ii) hereof;
- ii. to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due with respect to any Collateral or by virtue thereof;
- iii. to settle, compromise, compound, prosecute or defend any action or proceeding with respect to any Collateral;
- iv. to sell, transfer, assign or otherwise deal in or with the Collateral and the Proceeds thereof, as fully and effectually as if the Secured Party were the absolute owner thereof; and
- v. to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference to the Collateral;

provided, that the Secured Party shall not take any of the actions described in this Section 7 except those described in clause (i) above unless an Event of Default shall have occurred and be continuing and the Secured Party shall give the Grantor not less than ten (10) days' prior written

notice of the time and place of any sale or other intended disposition of any of its Collateral, except any Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market. The Grantor agrees that any such notice constitutes "reasonable authenticated notification of disposition" within the meaning of Section 9-611 of the UCC (to the extent such Section is applicable).

(b) The Grantor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

(c) The Grantor also authorizes the Secured Party at any time and from time to time, to execute, in connection with the sale provided for in Section 8 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

SECTION 8. Remedies Upon Event of Default. If any Event of Default has occurred and is continuing, the Secured Party may exercise on behalf of itself all rights of a secured party under the UCC (whether or not in effect in the jurisdiction where such rights are exercised) and, in addition, the Secured Party may (i) withdraw all cash, if any, in the Collateral Account and investments made with amounts on deposit in the Collateral Account, and apply such monies, investments and other cash, if any, then held by it as Collateral as specified in Section 10 hereof and (ii) if there shall be no such monies, investments or cash or if such monies, investments or cash shall be insufficient to pay all the Secured Obligations in full, sell the Collateral or any part thereof at public or private sale, for cash, upon credit or for future delivery, and at such price or prices as the Secured Party may deem satisfactory. The Secured Party may be the purchaser of any or all of the Collateral so sold at any public sale (or, if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations or if otherwise permitted under applicable law, at any private sale) and thereafter hold the same, absolutely, free from any right or claim of whatsoever kind. The Grantor will execute and deliver such documents and take such other action as the Secured Party deems reasonably necessary or advisable in order that any such sale may be made in compliance with law. Upon any such sale the Secured Party shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold (without warranty). Each purchaser at any such sale shall hold the Collateral so sold to it absolutely, free from any claim or right of whatsoever kind, including any equity or right of redemption of any Grantor. To the extent permitted by law, the Grantor hereby specifically waives all rights of redemption, stay or appraisal which it has or may have under any law now existing or hereafter adopted. The notice of such sale shall be given to such Grantor ten (10) days prior to such sale and (A) in case of a public sale, state the time and place fixed for such sale, and (B) in the case of a private sale, state the day after which sale may be consummated. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Secured Party may fix in the notice of such sale. At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels, as the Secured Party may determine. The Secured Party shall not be obligated to make any such sale pursuant to any such notice. The Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned. In case of any sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained

by the Secured Party until the selling price is paid by the purchaser thereof, but the Secured Party shall not incur any liability in case of the failure of such purchaser to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may again be sold upon like notice. The Secured Party, instead of exercising the power of sale herein conferred upon it, may proceed by a suit or suits at law or in equity to foreclose the Security Interests and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction. The Grantor shall remain liable for any deficiency.

(a) For the purpose of enforcing any and all rights and remedies under this Agreement, the Secured Party may at any time after the occurrence and during the continuation of an Event of Default (i) require the Grantor to, and the Grantor agrees that it will, at its expense and upon the request of the Secured Party, forthwith assemble all or any part of the Collateral as directed by the Secured Party and make it available at a place designated by the Secured Party which is reasonably convenient to the Secured Party and the Grantor, whether at the premises of the Grantor or otherwise, (ii) to the extent permitted by applicable law, enter, with or without process of law and without breach of the peace, any premise where any of the Collateral is or may be located and, without charge or liability to the Secured Party, seize and remove such Collateral from such premises, (iii) have access to and use the Grantor's books and records relating to the Collateral and (iv) prior to the disposition of the Collateral, store or transfer such Collateral without charge in or by means of any storage or transportation facility owned or leased by the Grantor, process, repair or recondition such Collateral or otherwise prepare it for disposition in any manner and to the extent the Secured Party deems appropriate and, in connection with such preparation and disposition, use without charge any Trademark, trade name, Copyright, Patent or technical process used by the Grantor.

(b) Without limiting the generality of the foregoing, if any Event of Default has occurred and is continuing,

- i. the Secured Party may license, or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any Patents or Trademarks included in the Collateral throughout the world for such term or terms, on such conditions and in such manner as the Secured Party shall in its sole discretion determine;
- ii. the Secured Party may (without assuming any obligations or liability thereunder), at any time and from time to time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of any Grantor in, to and under any Patent Licenses or Trademark Licenses and take or refrain from taking any action under any thereof; provided, however, that no such actions shall result in the failure of such Patent Licenses or Trademark Licenses to remain in compliance with all Applicable Law, and the Grantor hereby releases the Secured Party free and harmless from and against any claims arising out of, any lawful action so taken or omitted to be taken with respect thereto except with respect to the gross negligence or willful misconduct of the Secured Party; and

- iii. upon request by the Secured Party, the Grantor will execute and deliver to the Secured Party a power of attorney, in form and substance satisfactory to the Secured Party, for the implementation of any lease, assignment, license, sublicense, grant or option, sale or other disposition of a Patent or Trademark. In the event of any such disposition pursuant to this Section 8, the Grantor shall supply its know-how and expertise relating to the manufacture and sale of the products bearing Trademarks or the products or services made or rendered in connection with such Patents, and its customer lists and other records relating to such Patents or Trademarks and to the distribution of said products, to the Secured Party.

SECTION 9. Limitation on Duty of Secured Party in Respect of Collateral. Beyond reasonable care in the custody thereof, the Secured Party shall have any duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. The Secured Party shall be deemed to have exercised reasonable care in the custody of the Collateral in their possession if the Collateral is accorded treatment substantially equal to that which it accords their own property, and the Secured Party shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other agent or bailee selected by the Secured Party in good faith.

SECTION 10. Distributions of Collateral Proceeds Upon Exercise of Remedies. The proceeds of any collection, sale or other realization of all or any part of the Collateral, and of all proceeds of the enforcement of any Lien created under this Agreement or any other Loan Document, together with any sums then held by the Secured Party as part of the Collateral, shall be applied first in an amount to cover the costs of the fees, costs and expenses incurred by, and all other amounts owed or payable to, the Secured Party through the date of such enforcement or sale, including reasonable compensation for and expenses of the Secured Party's representatives and counsel, and all reasonable charges, expenses, liabilities and advances incurred or made by the Secured Party in connection with such enforcement or sale, whether provided for under this Agreement or otherwise; then to the Secured Party in an aggregate amount equal to the sum of the unpaid Secured Obligations; and any surplus then remaining shall be paid to the Grantor or the person who may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

SECTION 11. Governing Law. This Agreement shall be governed by the laws of the State of New York without reference to principles of conflicts of law other than Section 5-1401 and 5-1402 of the New York General Obligations law.

SECTION 12. Consent to Jurisdiction. The Grantor hereby irrevocably consents to the personal jurisdiction of the courts located in London, England in any action, claim or other proceeding arising out of or any dispute in connection with this Agreement, any rights or obligations hereunder, or the performance of such rights and obligations. The Grantor hereby irrevocably consents to the service of a summons and complaint and other process in any action, claim or proceeding brought by the Secured Party in connection with this Agreement, any rights or obligations hereunder, or the performance of such rights and obligations, on behalf of itself or

its property, in the manner provided with respect to the Principal Borrower in the Facilities Agreement. Nothing in this Section shall affect the right of the Secured Party to serve legal process in any other manner permitted by Applicable Law or affect the right of the Secured Party to bring any action or proceeding against the Grantor or its properties in the courts of any other jurisdictions.

SECTION 13. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE SECURED PARTY AND THE GRANTOR HEREBY IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY ACTION, CLAIM OR OTHER PROCEEDING ARISING OUT OF OR ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER, OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS.

SECTION 14. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Secured Party in order to carry out the intentions of the parties hereto as nearly as may be possible; and (b) the invalidity or unenforceability of any provisions hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

SECTION 15. Headings. The various headings of this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provisions hereof.

SECTION 16. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

SECTION 17. Special Limitation on Secured Obligations. Notwithstanding anything else to the contrary contained anywhere else in this Agreement, the term "Secured Obligations" shall not exceed, with respect to the Grantor, as of any date of determination that amount equal to the maximum amount which could then be claimed against such Grantor without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the United States Federal Bankruptcy Code (11. U.S.C. Section 101 *et seq.*) or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or law.

SECTION 18. Notices. All written notices delivered pursuant to this Agreement shall be governed by the provisions of the Facilities Agreement with the address of the Secured Party being as set forth in the Facilities Agreement and the address of the Grantor being as follows (or such other address as shall be designated by such party in a written notice to each other party hereto):

Incisive Interactive Marketing, LLC

c/o Carter, Ledyard & Milburn LLP
2 Wall Street
New York, New York 10005-2072
Attention: Raphael Grunfeld, Esq.

Telephone No.: 212-238-8653

Facsimile No.: 212-732-3232

SECTION 19. Release of Collateral. Upon the written request of a Grantor, the Secured Party shall release of record the Secured Party's Lien upon termination of the Facilities Agreement and indefeasible payment in full of all Secured Obligations. All reasonable expenses incurred by the Secured Party in connection with any release of the Lien on the Collateral shall immediately be reimbursed by such Grantor.

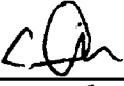
[SEE ATTACHED SIGNATURE PAGE]

IN WITNESS WHEREOF, the Grantor and the Secured Party have caused this Agreement to be executed under seal by their duly authorized officers, all as of the day and year first written above.

GRANTOR:

**INCISIVE INTERACTIVE MARKETING
LLC**, a Delaware limited liability company

By: **INCISIVE RWG, INC.**, a Delaware corporation

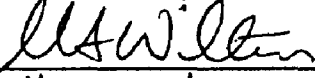
By:  _____

Name: Tim Welles

Title: President

SECURED PARTY:

**THE ROYAL BANK OF SCOTLAND
PLC, in its capacity as Security Agent for
the benefit of the Security Beneficiaries**

By: 
Name: MARK A. WILTON
Title: DIRECTOR CSF

SCHEDULE I

REGISTERED COPYRIGHTS

None.

COMMON LAW COPYRIGHTS

SEA Business Materials

SCHEDULE II

(a)

TRADEMARKS

Mark	Country/Region	Reg. No/App No.	Status¹	Reg/App Date
SEARCH ENGINE STRATEGIES	Australia	929416	GRANTED	10/03/2002
SEARCH ENGINE STRATEGIES	Canada	572,282	GRANTED	12/13/2002
SEARCH ENGINE STRATEGIES	China	Unknown	PENDING	01/04/2005
SEARCH ENGINE STRATEGIES	China	Unknown	PENDING	01/04/2005
SEARCH ENGINE STRATEGIES	China	Unknown	PENDING	01/04/2005
SES	China	Unknown	PENDING	01/04/2005
SES	China	Unknown	PENDING	01/04/2005
SES	China	Unknown	PENDING	01/04/2005
SEARCH ENGINE STRATEGIES	Denmark	VA2000 02568	GRANTED	02/09/2001
SEARCH ENGINE STRATEGIES	Denmark	VA2002 01332	GRANTED	01/07/2003
SEARCH ENGINE STRATEGIES	European Community	4227501	PENDING	12/21/2004
SEARCH ENGINE STRATEGIES	Finland	T200002025	GRANTED	12/14/2001
SEARCH ENGINE STRATEGIES	Finland	T200201018	PENDING	04/02/2002
SEARCH ENGINE STRATEGIES	France	003034895	GRANTED	06/16/2000
SEARCH ENGINE STRATEGIES	Germany	30355507.6	PENDING	10/23/2003
SEARCH ENGINE STRATEGIES	India	1237426	PENDING	09/16/2003
SEARCH ENGINE STRATEGIES	Italy	TO2000C002234	PENDING	07/06/2000
SEARCH ENGINE STRATEGIES	Japan	4,576,379	GRANTED	06/14/2002
SEARCH ENGINE STRATEGIES	Norway	213599	GRANTED	03/14/2002
SEARCH ENGINE STRATEGIES	Norway	223387	GRANTED	09/23/2004
SEARCH ENGINE STRATEGIES	Singapore	T02/15919B	GRANTED	10/11/2002
SEARCH ENGINE STRATEGIES	South Africa	2000/1192	GRANTED	06/12/2000
SEARCH ENGINE STRATEGIES	Sweden	356219	GRANTED	06/14/2002
SEARCH ENGINE STRATEGIES	Sweden	361193	GRANTED	05/23/2003
SEARCH ENGINE STRATEGIES	United Kingdom	2380924	PENDING	12/21/2004

¹ "GRANTED" indicates a registration and "PENDING" indicates an application.

SEARCH ENGINE STRATEGIES	United States	2,514,183	GRANTED	12/04/2001
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Country/Region	Reg No./App No.	Status	Reg/App Date
Australia	A781765	GRANTED	12/23/1998
Canada	565,781	GRANTED	08/14/2002
China	1407551	GRANTED	04/14/2000
Colombia	242929	GRANTED	10/04/2001
Colombia	219524	GRANTED	08/17/1999
European Community	1038140	GRANTED	03/07/2000
France	99783485	GRANTED	03/29/1999
Germany	39900989.2	GRANTED	03/22/1999
Hong Kong	B10035	GRANTED	12/24/1998
Hong Kong	B10036	GRANTED	12/24/1998
Mexico	619892	GRANTED	01/19/1999
Mexico	611172	GRANTED	01/19/1999
Sweden	99-00252	GRANTED	03/24/2005
United Kingdom	2183970	GRANTED	04/05/2002
United Kingdom	2212220	GRANTED	02/16/2001
United States	2,253,037	GRANTED	06/15/1999

Country/Region	Reg No./App No.	Status	Reg/App Date
Benelux	0973354	GRANTED	02/12/2002
Brazil	826636330	PUBLISHED	06/14/2004
Denmark	VA 2000-03923	GRANTED	02/28/2001
European Union	1852474	PENDING	09/13/2000
France	003053542	GRANTED	09/25/2000
Germany	30069390.7	GRANTED	03/12/2001
Italy	TO2000C003353	PENDING	10/16/2000

Norway	2000.11023	GRANTED	12/13/2001
Russian Federation	2000723664	GRANTED	07/02/2002
Spain	2342875	PENDING	09/14/2000
Sweden	00-07027	GRANTED	02/08/2002
Taiwan	89053783	GRANTED	07/16/2001
United Kingdom	2245420	GRANTED	08/17/2001
United States	76/131/490	GRANTED	06/18/2002
United States	75/527,546	GRANTED	08/22/2000
United States	76/131/489	GRANTED	07/09/2002

DOMAIN NAMES

- clickz.com
- clickz.net
- clickzbooks.com
- clickzchallenge.com
- clickzconference.net
- clickzconferences.com
- clickzemailstrategies.com
- clickzforum.com
- clickzforum.net
- clickzforums.com
- clickzguide.com
- clickzguides.com
- clickznetwork.com
- clickznetwork.net
- clickzreport.com
- clickzreport.net
- clickzreports.com
- clickztoday.com
- clickztoday.net
- searchenginemarketerlist.com
- searchenginemarketinglist.com
- search-engine-report.net
- searchengines.com.au
- searchenginestrategies.ch
- searchenginestrategies.cn
- searchenginestrategies.co.nz
- searchenginestrategies.com
- searchenginestrategies.com.au
- searchenginestrategies.com.br
- searchenginestrategies.com.cn

searchenginestrategies.de
searchenginestrategies.dk
searchenginestrategies.jp
searchenginestrategies.net
searchenginestrategies.net.cn
searchenginestrategies.nl
searchenginestrategies.org
searchenginestrategies.org.cn
searchenginestrategies.se
searchenginestrategies.us
search-engine-update.net
searchenginewatch.biz
searchenginewatch.com
searchengine-watch.com
searchenginewatch.com.au
searchenginewatch.info
searchenginewatch.org
searchenginewatcher.com
searchenginewatchforum.com
searchenginewatchforums.com
semlist.com

TRADENAMES

None.

UNREGISTERED LOGOS

SEA Business Logos

SLOGANS

None.

TRADE SECRETS

None.

REGISTERED OR PENDING PATENTS

None.

ANNEX I
(to Security Agreement)

[FORM OF LOCKBOX LETTER]

[Name and Address of Lockbox Banks]

Re: [CORPORATION]

Ladies and Gentlemen:

We hereby notify you that effective _____, _____, we have transferred exclusive ownership and control of our lock-box account(s) no[s]. _____ (the "Lockbox Account[s]") maintained with you under the terms of the [Lockbox Agreement] attached hereto as Exhibit A (the "Lockbox Agreement[s]") to the _____, a banking association chartered under the laws of _____ (the "Secured Party").

We hereby irrevocably instruct you to make all payments to be made by you out of or in connection with the Lockbox Account(s) (i) to the Secured Party for credit to account no. _____ maintained by it at its office at _____ or (ii) as you may otherwise be instructed by the Secured Party.

We also hereby notify you that the Secured Party shall be irrevocably entitled to exercise any and all rights in respect of or in connection with the Lockbox Account(s), including, without limitation, the right to specify when payments are to be made out of or in connection with the Lockbox Account(s).

All funds deposited into the Lockbox Account(s) will not be subject to deduction, set-off, Bank's lien or any other right in favor of any person other than the Secured Party, except that you may set-off against the Lockbox Account(s) the face amount of any check deposited in and credited to such Lockbox Account(s) which is subsequently returned for any reason. Your compensation for providing the service contemplated herein shall be mutually agreed between you and us from time to time and we will continue to pay such compensation.

Please confirm your acknowledgment of and agreement to the foregoing instructions by signing in the space provided below

Very truly yours,

By: _____
Name: _____
Title: _____

Name: _____
Title: _____

Acknowledged and agreed
to as of this _____ day of
_____, _____.

[LOCKBOX BANKS]

By: _____
Name: _____
Title: _____