

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Bluespring Software, Inc.		02/16/2006	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Blue Chip Capital Fund III Limited Partnership
Street Address:	250 East Fifth Street
City:	Cincinnati
State/Country:	OHIO
Postal Code:	45202
Entity Type:	LIMITED PARTNERSHIP: UNITED STATES

Name:	Primus Capital Fund IV Limited Partnership
Street Address:	5900 Landerbrook Drive
Internal Address:	Suite 200
City:	Cleveland
State/Country:	OHIO
Postal Code:	44124
Entity Type:	LIMITED PARTNERSHIP: UNITED STATES

Name:	Primus Executive Fund Limited Partnership
Street Address:	5900 Landerbrook Drive
Internal Address:	Suite 200
City:	Cleveland
State/Country:	OHIO
Postal Code:	44124
Entity Type:	LIMITED PARTNERSHIP: UNITED STATES

Name:	Primus Capital Fund V Limited Partnership
Street Address:	5900 Landerbrook Drive
Internal Address:	Suite 200

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City:	Cleveland
State/Country:	OHIO
Postal Code:	44124
Entity Type:	LIMITED PARTNERSHIP: UNITED STATES

Name:	Primus Executive Fund V Limited Partnership
Street Address:	5900 Landerbrook Drive
Internal Address:	Suite 200
City:	Cleveland
State/Country:	OHIO
Postal Code:	44124
Entity Type:	LIMITED PARTNERSHIP: UNITED STATES

Name:	Arbor Venture Partners II, L.L.C.
Street Address:	130 South First Street
City:	Ann Arbor
State/Country:	MICHIGAN
Postal Code:	48104
Entity Type:	LIMITED LIABILITY COMPANY: UNITED STATES

PROPERTY NUMBERS Total: 5

Property Type	Number	Word Mark
Registration Number:	2676751	PRIORITY CS
Registration Number:	2711753	BLUESPRING SOFTWARE
Registration Number:	2742802	BLUESPRING SOFTWARE
Registration Number:	2367974	SMG SOFTWARE MANAGEMENT GROUP, INC.
Registration Number:	2328903	PRIORITY COMMUNICATIONS SOLUTIONS

CORRESPONDENCE DATA

Fax Number: (216)579-0212
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Email: jrmix@jonesday.com
 Correspondent Name: James R. Mix
 Address Line 1: 901 Lakeside Ave.
 Address Line 2: c/o James R. Mix, Legal Assistant
 Address Line 4: Cleveland, OHIO 44114-1190

ATTORNEY DOCKET NUMBER:	037260-600005
NAME OF SUBMITTER:	James R. Mix

Signature:	/James R. Mix/
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Date:	03/08/2006
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Total Attachments: 21
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SECURITY AGREEMENT

This Security Agreement, dated as of February 16, 2006 ("*Security Agreement*"), is made by Bluespring Software, Inc., a Delaware corporation (the "*Company*"), in favor of Blue Chip Capital Fund III Limited Partnership ("*Blue Chip*"), Primus Capital Fund IV Limited Partnership ("*Primus IV*"), Primus Executive Fund Limited Partnership ("*Primus Executive IV*"), Primus Capital Fund V Limited Partnership ("*Primus V*"), Primus Executive Fund V Limited Partnership ("*Primus Executive V*") and Arbor Venture Partners II, L.L.C. ("*Arbor*") and together with Blue Chip, Primus IV, Primus Executive IV, Primus V and Primus Executive V, the "*Secured Parties*").

RECITALS

WHEREAS, the Company has issued to the Secured Parties certain Senior Secured Promissory Notes, dated as of February 16, 2006, in the aggregate principal amount of up to \$750,000 (as such notes may be hereafter amended from time to time, the "*Bridge Notes*").

WHEREAS, the Secured Parties are willing to make the loans to the Company, but only upon the condition, among others, that the parties enter into this Security Agreement.

AGREEMENTS

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

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

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

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

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

thereunder) including, without limitation, licenses pursuant to which the Company has obtained the exclusive right to use a copyright owned by a third party.

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

“Event of Default” means any one or more of the following events, conditions or acts: (i) the Company fails to make any timely payment of any amount due under the Bridge Notes or any other loan agreement or promissory note to which the Company is a party within ten (10) business days of demand therefor, including, without limitation, payment of a Secured Obligation; (ii) the Company fails or neglects to comply with or to perform in accordance with any provision hereunder or under any other agreement between the Company and the Secured Parties and such failure has a material adverse effect on the Company and such failure has not been cured within thirty (30) days after such failure first occurs; (iii) any report, information or notice made to, obtained or received by any of the Secured Parties at any time after the date hereof indicating that such Secured Party’s security interest is not prior to all other security interests or other interests reflected in such report, information or notice, except for Permitted Liens; (iv) the execution of an assignment for the benefit of creditors by the Company or the filing or commencement for any proceedings for relief under the Bankruptcy Code, as may be amended from time to time, or insolvency laws or any laws relating to the relief of debtors, readjustment of any indebtedness, reorganization, composition, extension of debt, or the appointment of a trustee for, by or against the Company; or (v) a material breach by the Company of any of its covenants, representations or warranties contained in this Agreement or in the Note Purchase Agreement, dated as of the date hereof, among the Company and the Secured Parties that is not cured within ten (10) days after the Company has received notification from a Secured Party of such breach.

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

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

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

“Patents” means all of the following in which the Company now holds or hereafter acquires any interest: (a) all letters patent of the United States or any other country, all registrations and recordings thereof and all applications for letters patent of the United States or any other country, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country; (b) all reissues, divisions, continuations, renewals, continuations-in-part or extensions thereof; (c) all petty patents, divisionals and patents of addition; (d) all patents to issue in any such applications; (e) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to patents, including, without limitation, damages, claims and recoveries for past, present or future infringement; and (f) rights to sue for past, present and future infringements of any patent.

“Permitted Lien” means: (a) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings, provided the same have no priority over any of the Secured Parties’ security interests; (b) Liens (i) upon or in any Equipment acquired or held by the Company to secure the purchase price of such Equipment or indebtedness incurred solely for the purpose of financing the acquisition of such Equipment or (ii) existing on such Equipment at the time of its acquisition, provided that the Lien is confined solely to the Equipment so acquired, improvements thereon and the Proceeds of such Equipment; (c) easements, reservations, rights-of-way, restrictions, minor defects or irregularities in title and other similar Liens affecting real property not interfering in any material respect with the ordinary conduct of the business of the Company; (d) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; (e) Liens arising solely by virtue of any statutory or common law provision relating to banker’s liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; and (f) Liens securing capital lease obligations on assets subject to such capital leases including sale and lease-back transactions otherwise permitted under this Security Agreement and Liens on equipment leased by the Company pursuant to an operating lease in the ordinary course of the Company’s business (including proceeds thereof and accessions thereto), all incurred solely for the purpose of financing the lease of such equipment (including Liens arising from UCC financing statements regarding such leases).

“Secured Obligations” means (a) the obligation of the Company to repay the Secured Parties all of the unpaid principal amount of, and accrued interest on (including any interest that accrues after the commencement of bankruptcy), the Bridge Notes, (b) the obligation of the Company to pay any fees, costs and expenses of the Secured Parties under Section 6(d) hereof and (c) all other indebtedness, liabilities and obligations of the Company to each of the Secured Parties, whether now existing or hereafter incurred, and whether created under, arising out of or

in connection with any written agreement or otherwise, except for those obligations owed by the Company to the Secured Parties solely based on such Secured Party's status as a shareholder of the Company such as the payment of dividends and, if applicable, liquidation preferences of such Secured Parties' capital stock in the Company.

"Security Agreement" means this Security Agreement and all Schedules hereto, as the same may from time to time be amended, modified, supplemented or restated.

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

"Trademarks" means any of the following in which the Company now holds or hereafter acquires any interest: (a) any trademarks, tradenames, corporate names, company names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country (collectively, the **"Marks"**); (b) any reissues, extensions or renewals thereof; (c) the goodwill of the business symbolized by or associated with the Marks; (d) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to the Marks, including, without limitation, damages, claims and recoveries for past, present or future infringement; and (e) rights to sue for past, present and future infringements of the Marks.

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

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

Intangibles”, “*Proceeds*”, “*Promissory Notes*”, “*Securities Account*”, “*Software*” and “*Supporting Obligations*”. Each of the foregoing defined terms shall include all of such items now owned, or hereafter acquired, by the Company.

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

- (a) All Accounts of the Company;
- (b) All Chattel Paper of the Company;
- (c) All Commercial Tort Claims of the Company;
- (d) All Contracts of the Company;
- (e) All Deposit Accounts of the Company;
- (f) All Documents of the Company;
- (g) All Equipment of the Company;
- (h) All Fixtures of the Company;

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

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

- (k) All Inventory of the Company;
- (l) All Investment Property of the Company;
- (m) All Letter-of Credit Rights of the Company;
- (n) All Supporting Obligations of the Company;

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

collection or pledge, for the account of the Company, or as to which the Company may have any right or power;

(p) All Goods, including without limitation, Software embedded in Goods;

(q) All Software;

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

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

Notwithstanding the foregoing provisions of this Section 2, the grant, assignment and transfer of a security interest as provided herein shall not extend to, and the term Collateral shall not include: (a) "intent-to-use" trademarks at all times prior to the first use thereof, whether by the actual use thereof in commerce, the recording of a statement of use with the United States Patent and Trademark Office or otherwise or (b) any Contract, Instrument or Chattel Paper in which the Company has any right, title or interest if and to the extent such Contract, Instrument or Chattel Paper includes a provision containing a restriction on assignment such that the creation of a security interest in the right, title or interest of the Company therein would be prohibited and would, in and of itself, cause or result in a default thereunder enabling another person party to such Contract, Instrument or Chattel Paper to enforce any remedy with respect thereto; provided that the foregoing exclusion shall not apply if (i) such prohibition has been waived or such other person has otherwise consented to the creation hereunder of a security interest in such Contract, Instrument or Chattel Paper or (ii) such prohibition would be rendered ineffective pursuant to Sections 9-407(a) or 9-408(a) of the UCC, as applicable and as then in effect in any relevant jurisdiction, or any other applicable law (including the Bankruptcy Code) or principles of equity); provided further that immediately upon the ineffectiveness, lapse or termination of any such provision, the Collateral shall include, and the Company shall be deemed to have granted a security interest in, all its rights, title and interests in and to such Contract, Instrument or Chattel Paper as if such provision had never been in effect; and provided further that the foregoing exclusion shall in no way be construed so as to limit, impair or otherwise affect the Secured Parties' unconditional continuing security interest in and to all rights, title and interests of the Company in or to any payment obligations or other rights to receive monies due or to become due under any such Contract, Instrument or Chattel Paper and in any such monies and other proceeds of such Contract, Instrument or Chattel Paper.

3. Rights of the Secured Parties; Collection of Accounts.

(a) Notwithstanding anything contained in this Security Agreement to the contrary, the Company expressly agrees that it shall remain liable under each of its Contracts and each of its Licenses to observe and perform all the conditions and obligations to be observed and performed by it thereunder and that it shall perform all of its duties and obligations thereunder, all in accordance with and pursuant to the terms and provisions of each such Contract or License.

The Secured Parties shall not have any obligation or liability under any Contract or License by reason of or arising out of this Security Agreement or the granting to the Secured Parties of a Lien therein or the receipt by the Secured Parties of any payment relating to any Contract or License pursuant hereto, nor shall the Secured Parties be required or obligated in any manner to perform or fulfill any of the obligations of the Company under or pursuant to any Contract or License, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Contract or License, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(b) The Secured Parties authorize the Company to collect its Accounts, provided that such collection is performed in a prudent and businesslike manner, and the Secured Parties may, upon the occurrence and during the continuation of any Event of Default and without notice, limit or terminate said authority at any time. Upon the occurrence and during the continuance of any Event of Default, at the request of a Secured Party, the Company shall deliver all original and other documents evidencing and relating to the performance of labor or service which created such Accounts, including, without limitation, all original orders, invoices and shipping receipts.

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

(d) No Secured Party may make any claim or otherwise take any action under this Security Agreement or the Bridge Notes without the prior written approval of the holders of a majority of the aggregate outstanding principal amount under the Bridge Notes. Wherever this Security Agreement provides the Secured Parties the right to consent, make a claim or otherwise take any action, such consent, claim or action may only be taken by the written approval of the Secured Parties holding a majority of the aggregate outstanding principal amount under the Bridge Notes.

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

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

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

(c) This Security Agreement creates a legal and valid security interest on and in all of the Collateral in which the Company now has rights and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken. Accordingly, each Secured Party has a fully perfected first priority security interest in all of the Collateral in which the Company now has rights subject only to Permitted Liens. This Security Agreement will create a legal and valid and fully perfected first priority security interest in the Collateral in which the Company later acquires rights, when the Company acquires those rights subject only to Permitted Liens and additional filings to be made with the United States Copyright Office and/or Patent and Trademark Office as are necessary to perfect each Secured Party's security interest in subsequent ownership rights and interests of the Company in Copyrights, Patents, Trademarks and Licenses.

(d) The Company's taxpayer identification number is listed on the signature pages hereto, and its chief executive office, principal place of business, and the place where the Company maintains its records concerning the Collateral are presently located at the address set forth in Section 10.5 of this Security Agreement. The Collateral, other than Deposit Accounts, Securities Accounts, Commodity Accounts and motor vehicles, is presently located solely at the address set forth in Section 10.5 of this Security Agreement. The Company shall not change its taxpayer identification number, jurisdiction of organization or such chief executive office, principal place of business or remove or cause to be removed, the records concerning the Collateral from those premises without prior written consent of the Secured Parties.

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

(f) The Company is the sole holder of record and the sole beneficial owner of all certificated securities and uncertificated securities pledged to Secured Party by the Company under Section 2 of this Security Agreement, free and clear of any adverse claim, as defined in Section 8-102(a)(1) of the UCC, except for the Lien created in favor of Secured Party by this Security Agreement.

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

(h) The Company has no Commercial Tort Claims.

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

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

5.2 Change of Jurisdiction of Organization, Relocation of Business or Collateral. The Company shall not change its jurisdiction of organization, relocate its chief executive office, principal place of business or its records, or allow the relocation of any Collateral (except as allowed pursuant to Section 5.1 immediately above) from such address(es) provided to each Secured Party pursuant to Section 4(d) above without the consent of the Secured Parties.

5.3 Limitation on Liens on Collateral. The Company shall not, directly or indirectly, create, permit or suffer to exist, and shall defend the Collateral against and take such other action as is necessary to remove, any Lien on the Collateral, except (a) Permitted Liens and (b) the Lien granted to the Secured Parties under this Security Agreement. The Company shall further defend the right, title and interest of Bank in and to any of the Company's rights under the Chattel Paper, Contracts, Documents, General Intangibles, Instruments and Investment Property and to the Equipment and Inventory and in and to the Proceeds thereof against the claims and demands of all persons whomsoever.

5.4 Limitations on Modifications of Accounts, Etc. Upon the occurrence and during the continuance of any Event of Default, the Company shall not, without the Secured Parties' prior written consent, grant any extension of the time of payment of any of the Accounts, Chattel Paper, Instruments or amounts due under any Contract or Document, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any person liable for the payment thereof, or allow any credit or discount whatsoever thereon other than trade discounts and rebates granted in the ordinary course of the Company's business.

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

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

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

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

5.9 Commercial Tort Claims. If the Company shall at any time acquire a Commercial Tort Claim, the Company shall promptly notify the Secured Parties in a writing signed by the Company of the details thereof and grant to the Secured Parties in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Security Agreement, with such writing to be in form and substance reasonably satisfactory to the Secured Parties.

5.10 Further Assurances; Pledge of Instruments. At any time and from time to time, upon the written request of a Secured Party, and at the sole expense of the Company, the Company shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as such Secured Party may reasonably deem necessary or desirable to obtain the full benefits of this Security Agreement, including, without limitation, (a) using its best efforts to secure all consents and approvals necessary or appropriate for the grant of a security interest to the Secured Parties in any Contract held by the Company or in which the Company has any right or interest not heretofore assigned, (b) executing, delivering and causing to be filed any financing or continuation statements (including "in lieu" continuation statements) under the UCC with respect to the security interests granted hereby, (c) filing or cooperating with the Secured Parties in filing any forms or other documents required to be recorded with the United States Patent and Trademark Office, United States Copyright Office, or any actions, filings, recordings or registrations in any foreign jurisdiction or under any international treaty, required to secure or protect the Secured Parties' interest in the Company's Collateral, (d) transferring the Company's Collateral to the Secured Parties' possession (if a security interest in such Collateral can be perfected by possession), (e) at the Secured Parties' reasonable request, placing the interest of the Secured Parties as lienholder on the certificate of title (or similar evidence of ownership) of any vehicle, watercraft or other Equipment constituting Collateral owned by the Company which is covered by a certificate of title (or similar evidence of ownership), (f) executing and delivering and causing the applicable depository institution, securities intermediary, commodity intermediary or issuer or nominated party under a letter of credit to execute and deliver a collateral control agreement with respect to each new Deposit Account, Securities Account or Commodity Account or Letter-of-Credit Right in or to which the Company has any right or interest in order to perfect the security interest created hereunder in favor of the Secured Parties (including giving such Secured Party "control" over such Collateral within the meaning of the applicable provisions of Article 8 and Article 9 of the UCC), (g) at a Secured Party's reasonable request, executing and delivering or causing to be delivered written notice to insurers of such Secured Party's security interest in, or claim in or

under, any policy of insurance (including unearned premiums) and (g) at a Secured Party's reasonable request, using its best efforts to obtain acknowledgments from bailees having possession of any Collateral and waivers of liens from landlords and mortgagees of any location where any of the Collateral may from time to time be stored or located. The Company authorizes the Secured Parties to at any time and from time to time file financing statements, continuation statements (including "in lieu" continuation statements) and amendments thereto that describe the Collateral as "all assets" or "all personal property" of the Company or words of similar effect. The Company also hereby authorizes the Secured Parties to file any such financing or continuation statement (including "in lieu" continuation statements) without the signature of the Company and in such jurisdictions deemed necessary or appropriate by the Secured Parties. If any amount payable under or in connection with any of the Collateral is or shall become evidenced by any Instrument, such Instrument, other than checks and notes received in the ordinary course of business and any Instrument in the outstanding or stated amount of less than \$25,000, shall be duly endorsed in a manner reasonably satisfactory to the Secured Parties and delivered to the Secured Parties promptly and in any event within five (5) business days of the Company's receipt thereof.

Without limitation of the foregoing, the Company shall at any time and from time to time, take such steps as the Secured Parties may reasonably request for the Secured Parties (i) to obtain an acknowledgment, in form and substance reasonably satisfactory to the Secured Parties, of any bailee having possession of any of the Collateral that the bailee holds such Collateral for the Secured Parties, (ii) to obtain "control" of any investment property, deposit accounts, letter-of-credit rights or electronic chattel paper, with any agreements establishing control to be in form and substance reasonably satisfactory to the Secured Parties, and (iii) otherwise to insure the continued perfection and priority of the Secured Parties' security interest in any of the Collateral and of the preservation of its rights therein.

6. Rights and Remedies Upon Default.

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

the Secured Party's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. To the extent the Company has the right to do so, the Company authorizes the Secured Parties, on the terms set forth in this Section 6 to enter the premises where the Collateral is located, to take possession of the Collateral, or any part of it, and to pay, purchase, contact, or compromise any encumbrance, charge, or lien which, in the opinion of Secured Party, appears to be prior or superior to its security interest. The Secured Parties shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of said Collateral so sold, free of any right or equity of redemption, which equity of redemption the Company hereby releases. The Company further agrees, at the Secured Parties' request, to assemble its Collateral and make it available to the Secured Parties at places which the Secured Parties shall reasonably select, whether at the Company's premises or elsewhere. The Secured Parties shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale as provided in Section 6(f), below, with the Company remaining liable for any deficiency remaining unpaid after such application, and only after so paying over such net proceeds and after the payment by the Secured Parties of any other amount required by any provision of law, need the Secured Parties to account for the surplus, if any, to the Company. To the maximum extent permitted by applicable law, the Company waives all claims, damages, and demands against the Secured Parties arising out of the repossession, retention or sale of the Collateral. The Company agrees that the Secured Parties need not give more than ten (10) days' notice of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. The Company shall remain liable for any deficiency if the proceeds of any sale or disposition of its Collateral are insufficient to pay all amounts to which the Secured Parties are entitled from the Company, the Company also being liable for the attorney costs of any attorneys employed by the Secured Parties to collect such deficiency.

(b) As to any Collateral constituting certificated securities or uncertificated securities, if, at any time when the Secured Parties shall determine to exercise its right to sell the whole or any part of such Collateral hereunder, such Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under Securities Act of 1933, as amended (as so amended the "1933 Act"), the Secured Parties may, in its sole discretion (subject only to applicable requirements of law), sell such Collateral or part thereof by private sale in such manner and under such circumstances as the Secured Parties may deem necessary or advisable, but subject to the other requirements of this Section 6(b), and shall not be required to effect such registration or cause the same to be effected. Without limiting the generality of the foregoing, in any such event the Secured Parties may, in its sole discretion, (i) in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Collateral or part thereof could be or shall have been filed under the 1933 Act; (ii) approach and negotiate with a single possible purchaser to effect such sale; and (iii) restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its own account, for investment, and not with a view to the distribution or sale of such Collateral or part thereof. In addition to a private sale as provided above in this Section 6(b), if any of such Collateral shall not be freely distributable to the public without registration under the 1933 Act at the time of any proposed sale hereunder, then Secured Party shall not be required to effect such registration or cause the same to be effected but may, in its sole discretion (subject only to applicable requirements of law), require

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

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

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

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

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

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

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

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

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

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

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

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

10. Miscellaneous.

10.1 No Waiver; Cumulative Remedies. No failure or delay on the part of any party to this Security Agreement in exercising any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

10.2 Termination of this Security Agreement. Subject to Section 9 hereof, this Security Agreement shall terminate upon the payment and performance in full of the Secured Obligations.

10.3 Successor and Assigns. This Security Agreement shall be binding upon and inure to the benefit of the Company and the Secured Parties and their respective successors and assigns. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Secured Obligations or any portion thereof or interest therein shall in any manner affect the lien granted to the Secured Parties hereunder.

10.4 Governing Law. This Security Agreement shall in all respects be governed by, and construed and interpreted in accordance with, the internal substantive laws of the State of Ohio without giving effect to the principles of conflicts of law thereof.

10.5 Notices. Any notice, request or other communication required or permitted hereunder will be in writing and be deemed to have been duly given (a) when personally delivered or sent by facsimile transmission (the receipt of which is confirmed in writing), (b) one business day after being sent by a nationally recognized overnight courier service or (c) five business days after being sent by registered or certified mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth below.

If to the Company: Bluespring Software, Inc.
200 West Fourth Street, Sixth Floor
Cincinnati, Ohio 45202
Attention: Mr. Robert B. Daly
Facsimile: (513) 794-1724

with a copy to: Thompson Hine LLP
312 Walnut Street, 14th Floor
Cincinnati, Ohio 45202
Attention: Mr. David J. Willbrand
Facsimile: (513) 241-4771

If to Blue Chip: Blue Chip Venture Company
1100 Chiquita Center
250 East Fifth Street
Cincinnati, OH 45202
Attention: John C. McIlwraith
Facsimile: (513) 723-2306

If to any Primus entity: Primus Venture Partners
5900 Landerbrook Drive
Suite 200
Cleveland, OH 44124
Attention: William C. Mulligan
Facsimile: (440) 684-7342

with a copy to: Jones Day
North Point
901 Lakeside Avenue
Cleveland, OH 44114
Attention: Joseph D. Hatina
Facsimile: (216) 579-0212

If to Arbor Partners: Arbor Venture Partners II, L.L.C.
130 South First Street
Ann Arbor, MI 48104

Attention: Donald Walker
Facsimile: (734) 669-4195

with a copy to:

Jones Day
North Point
901 Lakeside Avenue
Cleveland, OH 44114
Attention: Joseph D. Hatina
Facsimile: (216) 579-0212

Any party by written notice to the others may change the address of the persons to whom notices or copies thereof will be directed.

10.6 Counterparts. This Security Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have duly executed, or have caused their duly authorized officer or representative to execute, this Security Agreement as of the date first above written.

BLUESPRING SOFTWARE, INC.

By: Robert B. Day
Name: Robert B. Day
Title: President / CEO
Company Tax Id. No.: EIN 31-1506541

BLUE CHIP CAPITAL FUND III LIMITED PARTNERSHIP

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

By: _____
Name: _____
Title: _____

PRIMUS CAPITAL FUND IV LIMITED PARTNERSHIP

By: Primus Venture Partners IV Limited Partnership, its General Partner

By: Primus Venture Partners IV, Inc.,
its General Partner

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have duly executed, or have caused their duly authorized officer or representative to execute, this Security Agreement as of the date first above written.

BLUESPRING SOFTWARE, INC.

By: _____
Name: _____
Title: _____
Company Tax Id. No.: EIN 31-1506541

BLUE CHIP CAPITAL FUND III LIMITED PARTNERSHIP

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

By: _____
Name: John C. McElwain
Title: managing Director

PRIMUS CAPITAL FUND IV LIMITED PARTNERSHIP

By: Primus Venture Partners IV Limited Partnership, its General Partner

By: Primus Venture Partners IV, Inc., its General Partner

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have duly executed, or have caused their duly authorized officer or representative to execute, this Security Agreement as of the date first above written.

BLUESPRING SOFTWARE, INC.

By: _____
Name: _____
Title: _____
Company Tax Id. No.: EIN 31-1506541

BLUE CHIP CAPITAL FUND III LIMITED
PARTNERSHIP

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

By: _____
Name: _____
Title: _____

PRIMUS CAPITAL FUND IV LIMITED
PARTNERSHIP

By: Primus Venture Partners IV Limited
Partnership, its General Partner

By: Primus Venture Partners IV, Inc.,
its General Partner

By: Steven Rothman
Name: Steven Rothman
Title: Secretary and Treasurer

PRIMUS EXECUTIVE FUND LIMITED
PARTNERSHIP

By: Primus Venture Partners IV Limited
Partnership, its General Partner

By: Primus Venture Partners IV, Inc.,
its General Partner

By: Steven Rothman
Name: Steven Rothman
Title: Secretary + Treasurer

PRIMUS CAPITAL FUND V LIMITED
PARTNERSHIP

By: Primus Venture Partners V, L.L.C.,
its General Partner

By: Steven Rothman
Name: Steven Rothman
Title: Secretary + Treasurer

PRIMUS EXECUTIVE FUND V LIMITED
PARTNERSHIP

By: Primus Venture Partners V, L.L.C.,
its General Partner

By: Steven Rothman
Name: Steven Rothman
Title: Secretary + Treasurer

ARBOR VENTURE PARTNERS II, L.L.C.

By: Arbor Partners L.L.C., Manager

By: _____
Name: _____
Title: _____

PRIMUS EXECUTIVE FUND LIMITED
PARTNERSHIP

By: Primus Venture Partners IV Limited
Partnership, its General Partner

By: Primus Venture Partners IV, Inc.,
its General Partner

By: _____
Name: _____
Title: _____

PRIMUS CAPITAL FUND V LIMITED
PARTNERSHIP

By: Primus Venture Partners V, L.L.C.,
its General Partner

By: _____
Name: _____
Title: _____

PRIMUS EXECUTIVE FUND V LIMITED
PARTNERSHIP

By: Primus Venture Partners V, L.L.C.,
its General Partner

By: _____
Name: _____
Title: _____

ARBOR VENTURE PARTNERS II, L.L.C.

By: Arbor Partners L.L.C., Manager

By: Donald F. Walker
Name: Donald F. Walker
Title: Managing Director