

Form PTO-1594 (Rev. 07/05)
OMB Collection 0651-0027 (exp. 6/30/2008)

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

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

Koolspan, Inc.

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

Citizenship (see guidelines) _____

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: TWJ Capital Opportunity Fund
Internal I.L.P., as Agent

Address: _____

Street Address: Six Landmark Square

City: Stamford

State: CT

Country: USA Zip: 06901

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship Delaware
- Corporation Citizenship _____
- Other _____ Citizenship _____

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) April 14, 2006

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

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)

See Attached Exhibit A

Additional sheet(s) attached? Yes No

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

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

Name: Julie Steamer, Esq.

Internal Address: Goodwin Procter LLP

Street Address: 599 Lexington Ave.

City: New York

State: NY Zip: 10022

Phone Number: 212-813-8998

Fax Number: 212-355-3333

Email Address: jsteamer@goodwinprocter.com

6. Total number of applications and registrations involved:

3

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 90.00

- 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 060923
Authorized User Name Dana Breitman

9. Signature:

Julie B Steamer
Signature

April 17, 2006
Date

Julie B. Steamer
Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 25

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

CH \$90.00 060923 76368773

EXHIBIT A
to
RECORDATION FORM COVER SHEET

LIST OF MARKS

"Smart WiFi"	76/368773
"KoolSpan"	76/368687
"TrustChip"	78/550581

EXECUTION COPY**SECURITY AGREEMENT**

SECURITY AGREEMENT dated as of April 13, 2006 among Koolspan, Inc., a Delaware corporation (the "Company") and TWJ Capital Opportunity Fund I, L.P. as agent (the "Agent") for itself and the Investors (as hereinafter defined).

Recitals

The Company is a party to the Note Purchase Agreement dated as of April 13, 2006 (as amended and in effect from time to time, the "Purchase Agreement"), among the Company and the purchasers party thereto (together with their successors and assigns, the "Investors"). Pursuant to the Purchase Agreement, the Investors have agreed to make loans and otherwise extend credit to the Company. It is a condition precedent to the Investors making any loans or otherwise extending credit to the Company that the Company execute and deliver to the Agent this Security Agreement for the benefit of the Investors and the Agent (collectively, the "Secured Parties").

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 - GRANT OF SECURITY

Section 1.1. Grant of Security. The Company hereby grants to the Agent for its benefit and the ratable benefit of the Investors a continuing security interest ("Security Interest") in and to all personal property and fixtures of the Company, whether now or hereafter existing or now or hereafter acquired and wherever located, including, without limitation, all of the following:

(a) all debts, obligations and liabilities in whatever form owing from any Person including, without limitation (i) all accounts and accounts receivable, (ii) notes, bills, drafts, acceptances, instruments, documents and chattel paper, (iii) claims arising out of the use of a credit or charge card, (iv) guaranties and security therefore, (v) all right, title and interest in the property or services which gave rise thereto, (including rights to reclamation and stoppage in transit and all rights of an unpaid seller of goods or services); and (vi) anything constituting an Account, Chattel Paper, Document, Instrument, Letter of Credit Right or Supporting Obligation (all hereinafter referred to as "Receivables");

(b) all inventory including, without limitation (i) raw materials, work in process and finished goods (ii) other tangible personal property held for sale or lease to be furnished under contracts of service or used or consumed in such Company's business, (iii) inventory returned to or repossessed by such Company, and (iv) anything constituting inventory under the Uniform Commercial Code (all hereinafter referred to as "Inventory");

(c) all equipment and goods including, without limitation (i) machinery, computers, molds, tools, dies, motor vehicles and parts and supplies therefore, (ii) all right, title and interest in and to any goods now or hereafter held or used by such Company under any lease, lease-purchase, conditional sales, use or similar agreements, and (iii) anything other than Inventory constituting Goods (all hereinafter referred to as "Equipment");

(d) all general intangibles including, without limitation (i) trade names, product names, corporate names, service marks, trademarks, applications for any of the foregoing and related goodwill; (ii) inventions, trade secrets, patents and patent applications; (iii) copyrights and copyright applications; (iv) computer programs, software, firmware, source code, operating manuals and information relating thereto, (v) customer lists; (vi) tax refunds and insurance refunds; (vii) warranty, indemnity and insurance claims; (viii) contracts and contract rights and (ix) anything constituting general intangibles under the Uniform Commercial Code (all hereinafter referred to as "General Intangibles");

(e) money, cash, bank accounts, certificates of deposit and anything constituting a Deposit Account (all hereinafter "Deposits");

(f) Investment Property under the Uniform Commercial Code;

(g) Commercial Tort Claims as more particularly described on Exhibit A;

(h) any additions, substitutions, accessions, products and proceeds of the foregoing including, without limitation, insurance proceeds and condemnation awards (hereinafter referred to as "Proceeds").

All of the foregoing is hereinafter referred to as the "Collateral."

Section 1.2. Security for Obligations. The Security Interest shall secure the payment and performance of the Obligations.

ARTICLE 2 - GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

The Company represents, warrants and covenants as follows:

Section 2.1. Organization. The Company is an organization of the type described in the Purchase Agreement and is organized solely under the laws of the state indicated in the Purchase Agreement. The laws of the state of organization require the maintenance of a public record showing the Company to have been organized.

Section 2.2. No Liens. The Company is, and with respect to Collateral acquired after the date hereof will be, the owner of all Collateral free from any Lien, security interest, encumbrance or other right, title or interest of any Person other than Liens permitted under the Purchase Agreement and the Company shall defend the Collateral against all claims and

demands of all Persons at any time claiming any interest therein adverse to the Agent other than claims by holders of such permitted Liens.

Section 2.3. Other Financing Statements. There is no financing statement (or similar statement or instrument of registration) covering or purporting to cover any interest of any kind in the Collateral other than financing statements filed in respect of Liens permitted under the Purchase Agreement. So long as any Obligations or commitments with respect thereto is outstanding, the Company will not execute or authorize to be filed in any public office any financing statement (or similar statement or instrument of registration) relating to the Collateral, except financing statements (or similar statements or instruments of registration) covering the security interests granted hereby and such permitted Liens.

Section 2.4. Chief Executive Office; Records. The chief executive office of the Company is located at the address indicated with respect to the Company on Exhibit A hereto. A complete set of books of account and records of the Company relating to the Collateral is, and will continue to be, kept at such chief executive office. The Company shall not establish a new chief executive officer or fail to keep books of account and such records at its chief executive office unless (a) it shall have given to the Agent not less than 30 days' prior written notice of its intention to do so, clearly describing such new location and providing such other information in connection therewith as the Agent may reasonably request and (b) with respect to such new location, it shall have taken all action reasonably satisfactory to the Agent, to maintain the security interest of the Agent in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect.

Section 2.5. Location of Inventory and Equipment. All Inventory and Equipment held by the Company is located at one of the locations shown on Exhibit A hereto. The Company agrees that all Inventory and Equipment subsequently acquired by it shall be kept at (or shall be in transport to) the locations shown on Exhibit A hereto. The Company shall not establish a new location for Inventory and Equipment unless (a) it shall have given to the Agent not less than 30 days' prior written notice of its intention so to do, clearly describing such new location and providing such other information in connection therewith as the Agent may reasonably request and (b) with respect to such new location, it shall have taken all action reasonably satisfactory to the Agent to maintain the security interest of the Agent in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect.

Section 2.6. Trade Names; Change of Name. The Company does not operate under, or in the preceding five years has not operated under, any trade name, fictitious name or other names except its legal name and those shown on Exhibit A hereto. The Company shall not change its legal name or assume or operate under any trade, fictitious or other name unless (a) it shall have given to the Agent not less than 30 days' prior written notice of its intention so to do, clearly describing such new name and the jurisdictions in which such new name shall be used and providing such other information in connection therewith as the Agent may reasonably request and (b) with respect to such new name, it shall have taken all action reasonably requested by the Agent, to maintain the security interest of the Agent in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect.

Section 2.7. Bank Accounts. The Company has no bank account, securities brokerage account, mutual fund account or similar account except those listed on Exhibit A. The Company shall not establish any new deposit account or securities account unless (a) it shall have given to the Agent prior written notice of its intention to do so, clearly describing such new account and its location, and providing such other information in connection therewith as the Agent may reasonably request, and (b) with respect to such new account, it shall have taken all action reasonably requested by the Agent, to maintain the security interest of the Agent in such account at all times fully perfected and in full force and effect.

Section 2.8. Commercial Tort Claims. The Company does not have any Commercial Tort Claim except as described on Exhibit A hereto. If the Company acquires any Commercial Tort Claim, the Company shall notify the Agent immediately in writing providing a description of such claim. If requested by the Agent, the Company shall take all actions reasonably satisfactory to the Agent to maintain or create a security interest in such a claim.

Section 2.9. Letter of Credit Rights. The Company is not a beneficiary under any letter of credit except as described on Exhibit A hereto. If the Company becomes a beneficiary of any letter of credit or otherwise obtains Letter of Credit Rights at any time, the Company shall notify the Agent immediately in writing providing a copy of such letter of credit. If requested by the Agent, the Company shall (a) deliver the original letter of credit to the Agent, and (b) arrange for the issuer and any confirming bank of the letter of credit to consent to a drawing under the letter of credit by the Agent and to the delivery of any Proceeds of drawing under the letter of credit to the Agent in a firm reasonably satisfactory to the Agent.

Section 2.10. Governmental Contracts. The Company is not a party to any contracts with a Governmental Authority except as described on Exhibit A. If the Company becomes party to any other contract with a Governmental Authority, the Company shall notify the Agent immediately in writing providing a description of such contract. If requested by the Agent, the Company shall (a) deliver a copy of such contract to the Agent, (b) take actions reasonably satisfactory to the Agent to create or maintain the Security Interest in such contract and to provide that the Agent may collect sums due under such contract directly from the Governmental Authority.

ARTICLE 3 - SPECIAL PROVISIONS CONCERNING RECEIVABLES

The Company represents, warrants and covenants as follows:

Section 3.1. Valid Obligations. All Receivables are and will be true and valid obligations of the account debtor to the extent set forth on the books of the Company and on any report delivered to the Agent or any Investor.

Section 3.2. Maintenance of Records. The Company will keep and maintain records of its Receivables and will make the same available on its premises to the Agent for inspection at any and all reasonable times upon reasonable prior notice. Upon the occurrence and during the continuance of an Event of Default and at the reasonable request of the Agent, the Company shall, at its own cost and expense, deliver all tangible evidence of its Receivables (including, without limitation, all contracts and other documents evidencing the Receivables) and its books

and records to the Agent or to the Agents' representatives (copies of which evidence and books and records may be retained by the Company). If the Agent so directs, upon the occurrence and during the continuance of an Event of Default, the Company shall legend the Receivables, in form and manner satisfactory to the Agent, as well as books, records and documents of the Company evidencing or pertaining to its Receivables with an appropriate reference to the fact that such Receivables have been assigned to the Agent and that the Secured Parties have a security interest therein.

Section 3.3. Direction to Account Company; Contracting Parties; etc. Upon the occurrence and during the continuance of an Event of Default, the Company agrees (a) if the Agent so directs, the Company shall cause all payments on account of the Receivables to be made directly to a Cash Collateral Account established at the direction of the Agent, (b) the Agent may directly notify the obligors with respect to any Receivables to make payments with respect thereto to such Cash Collateral Account, and (c) the Agent may enforce collection of any such Receivables and may adjust, settle or compromise the amount of payment thereof, in the same manner and to the same extent as the Company. Without notice to or assent by the Company, the Agent may apply any or all amounts in the Cash Collateral Account in the manner provided in this Agreement. After the agent directs that any Receivable be paid to a Cash Collateral account, any proceeds of such Receivable received by the Company shall be received in trust for the benefit of the Agent and shall forthwith be delivered to the Agent.

Section 3.4. Modification of Terms; etc. The Company shall not rescind or cancel any Receivable or modify any term thereof or make any adjustment with respect thereto, or extend or renew the same, or compromise or settle any material dispute, claim, suit or legal proceeding relating thereto, or sell any Receivable, or interest therein, without the prior written consent of the Agent, except in accordance with the Company's reasonable and normal business practices.

Section 3.5. Collection. The Company shall endeavor in accordance with reasonable business practices to cause each of its Receivables (including, without limitation, amounts which are delinquent, such amounts to be collected in accordance with generally accepted lawful collection procedures) to be collected from the obligor.

Section 3.6. Instruments. If the Company owns or acquires any Instrument constituting Collateral, the Company will within ten (10) Business Days notify the Agent thereof, and, upon request by the Agent, will promptly deliver such Instrument to the Agent appropriately endorsed to the order of the Agent.

Section 3.7. Verification. The Agent may in its own name or in the name of others communicate with obligors of Receivables to verify to the Agents' satisfaction the existence, amount and terms of any Receivable.

ARTICLE 4 - SPECIAL PROVISIONS CONCERNING TRADEMARKS

The Company represents, warrants and covenants as follows:

Section 4.1. Existence. The Company is the true and lawful owner of all right, title and interest to or otherwise has the right to use the registered Marks listed in Exhibit B hereto and

that said listed Marks constitute all the marks and applications for marks registered in the United States Patent and Trademark Office that the Company presently owns or uses in connection with its business. The Company owns, is licensed to use or otherwise has the right to use all such Marks. The Company has no knowledge of any third party claim that any aspect of its present or contemplated business operations infringes or will infringe any trademark, service mark or trade name in any respect which could reasonably be expected to have a material adverse effect on the business, operations, property, assets, liabilities or condition (financial or otherwise) of the Company. Except as indicated on Exhibit B, the Company (i) it is the beneficial and record owner of all trademark registrations and applications listed in Exhibit B, (ii) that said registrations are valid and subsisting, and (iii) the Company is not aware of any third-party claim that any of said registrations in respect of any Mark is invalid or unenforceable. The Company hereby grants to the Agent an absolute power of attorney to sign, upon the occurrence and during the continuance of an Event of Default, any document which may be required by the United States Patent and Trademark Office in order to effect an absolute assignment of all right, title and interest in each Mark, and record the same.

Section 4.2. Infringements. The Company agrees, promptly upon learning thereof, to notify the Agent in writing of the name and address of, and to furnish such pertinent information that may be available with respect to, any party who the Company believes is infringing or diluting or otherwise violating in any material respect any of the Company's rights in and to any material Mark, or with respect to any party claiming that the Company's use of any material Mark violates in any material respect any property right of that party. The Company further agrees to prosecute any Person infringing any material Mark in accordance with reasonable business practices.

Section 4.3. Preservation of Marks. The Company agrees to use its Marks as required in each of the applicable jurisdictions during the time in which this Agreement is in effect, sufficiently to preserve such Marks (and any registrations thereto) as trademarks or service marks under the laws of the United States and any other applicable law; provided, that, prior to any Default, the Company shall not be obligated to preserve any Mark in the event the Company determines, in its reasonable business judgment, that the preservation of such Mark is no longer desirable in the conduct of its business.

Section 4.4. Maintenance of Registration. The Company shall, at its own expense, diligently process all documents required to maintain trademark registrations, including but not limited to affidavits of use and applications for renewals of registration in the United States Patent and Trademark Office for all of its registered Marks, and shall pay all fees and disbursements in connection therewith and shall not abandon any such filing of affidavit of use or any such application of renewal prior to the exhaustion of all administrative and judicial remedies without prior written consent of the Agent; provided, that, prior to any Default, the Company shall not be obligated to maintain any Mark in the event that the Company determines, in its reasonable business judgment, that the maintenance of such Mark is no longer necessary or desirable in the conduct of its business.

Section 4.5. Future Registered Marks. The Company agrees that, should it obtain an ownership interest in any Mark which is not on the date hereof a part of the Collateral (the "After-Acquired Marks"), (i) the provisions of Sections 1.1 and 1.2 hereof shall automatically

apply thereto, (ii) any such After-Acquired Marks, and, in the case of trademarks, the goodwill of the business connected therewith or symbolized thereby, shall automatically become part of the Collateral subject to the terms and conditions of this Agreement, (iii) the Company shall give prompt written notice thereof to the Agent in accordance herewith and (iv) within thirty (30) days of obtaining such ownership interest, the Company shall execute and deliver to the Agent such documents as the Agent deems appropriate to perfect the Security Interest hereunder in such After-Acquired Marks.

Section 4.6. Remedies. If an Event of Default shall occur and be continuing, the Agent may take any or all of the following actions: (a) declare the entire right, title and interest of the Company in and to the Marks, together with all trademark rights and rights of protection to the same, vested in the Agent for the benefit of the Secured Parties, in which event such rights, title and interest shall immediately vest, in the Agent for the benefit of the Secured Parties, and the Agent shall be entitled to exercise the power of attorney referred to in Section 4.1 hereof to execute, cause to be acknowledged and notarized and record said absolute assignment with the applicable agency; (b) take and use or sell such Marks and the goodwill of the Company's business symbolized by such Marks and the right to carry on the business and use the assets of the Company in connection with which such Marks have been used; and (c) direct the Company to refrain, in which event the Company shall refrain, from using such Marks in any manner whatsoever, directly or indirectly, and, if requested by the Agent, change the Company's corporate name to eliminate therefrom any use of any such Mark and execute such other and further documents that the Agent may request to further confirm this and to transfer ownership of such Marks and registrations and any pending trademark application in the United States Patent and Trademark Office to the Agent.

Section 4.7. Intellectual Property Security Agreement. With respect to its Marks, the Company agrees to execute an agreement, in substantially the form set forth in Exhibit E hereto (an "Intellectual Property Security Agreement"), for recording the security interest granted hereunder to the Agent in such Marks with the United States Patent and Trademark Office and any other governmental authorities necessary to perfect the security interest hereunder in such Collateral.

ARTICLE 5 - SPECIAL PROVISIONS CONCERNING PATENTS, AND COPYRIGHTS

The Company represents, warrants and covenants:

Section 5.1. Additional Representations and Warranties. The Company is the true and lawful owner of all right, title and interest or otherwise has the right to use (a) the Patents listed in Exhibit C hereto and that said Patents constitute all the patents and applications for patents that the Company owns or uses in connection with its business, and (b) the Copyrights listed in Exhibit D hereto for the Company and that said Copyrights constitute all registrations of copyrights and applications for copyright registrations that the Company owns or uses in connection with its business. The Company owns, is licensed to use or otherwise has the right to use all such Patents and Copyrights. The Company has no knowledge of any third party claim that any aspect of its present or contemplated business operations infringes or will infringe any Patent or any Copyright or that the Company has misappropriated any Trade Secret or Proprietary Information, in each case in any respect which could reasonably be expected to have

a material adverse effect on the business, operations, property, assets, liabilities or condition (financial or otherwise) of the Company. Except as indicated on Exhibit C, the Company (i) is the beneficial and record owner of the Patents, Copyrights and applications listed on Exhibit C, and (ii) said registrations are valid and subsisting. The Company hereby grants to the Agent an absolute power of attorney to sign, upon the occurrence and during the continuance of an Event of Default, any document which may be required by the United States Patent and Trademark Office or the United States Copyright Office in order to effect an absolute assignment of all right, title and interest in each Patent and Copyright, and to record the same.

Section 5.2. Infringements. The Company agrees, promptly upon learning thereof, to furnish the Agent in writing with all pertinent information available to the Company with respect to any infringement, contributing infringement or active inducement to infringe any Patent or Copyright or to any claim that the practice of any Patent or the use of any Copyright violates any property right of a third party, or with respect to any misappropriation of any Trade Secret Right or any claim that practice of any Trade Secret Right violates any property right of a third party. The Company further agrees, to the extent consistent with reasonable business practices, to prosecute any Person infringing any Patent or Copyright or any Person misappropriating any Trade Secret or Proprietary Right.

Section 5.3. Maintenance of Patents. At its own expense, the Company shall make timely payment of all post-issuance fees required to maintain in force rights under each Patent of the Company, absent prior written consent of the Agent; provided, that the Company shall not be obligated to maintain any Patent in the event the Company determines, in its reasonable business judgment, that the maintenance of such Patent is no longer necessary or desirable in the conduct of its business.

Section 5.4. Prosecution of Patent Application. At its own expense, the Company shall diligently prosecute all applications for Patents for the Company and shall not abandon any such application prior to exhaustion of all administrative and judicial remedies, absent written consent of the Agent; provided, that the Company shall not be obligated to prosecute any application in the event the Company determines, in its reasonable business judgment, that the prosecuting of such application is no longer necessary or desirable in the conduct of its business.

Section 5.5. Future Patents and Copyrights. The Company agrees that, should it obtain an ownership interest in any Patent or Copyright which is not on the date hereof part of the Collateral (i) the provisions of Sections 1.1 and 1.2 hereof shall automatically apply thereto, (ii) such Patents and Copyrights shall automatically become part of the Collateral, and (iii) the Company shall give prompt written notice thereof, and (iv) within thirty (30) days of the acquisition or issuance of a Patent, registration of a Copyright, or acquisition of a registered copyright, the Company shall deliver to the Agent a copy of said Copyright or certificate or registration of said patents, as the case may be, with such documents as the Agent deems appropriate to perfect the security interest hereunder in such items.

Section 5.6. Remedies. If an Event of Default shall occur and be continuing, the Agent may take any or all of the following actions: (a) declare the entire right, title, and interest of the Company in the Patents and Copyrights vested in the Agent for the benefit of the Secured Parties, in which event such right, title, and interest shall immediately vest in the Agent for the

benefit of the Secured Parties, in which case the Agent shall be entitled to exercise the power of attorney referred to in Section 5.1 hereof to execute, cause to be acknowledged and notarized and to record said absolute assignment with the applicable agency; (b) take and practice or sell the Patents and Copyrights; and (c) direct the Company to refrain, in which event the Company shall refrain, from practicing the Patents and using the Copyrights directly or indirectly, and the Company shall execute such other and further documents as the Agent may request further to confirm this and to transfer ownership of the Patents and Copyrights to the Agent for the benefit of the Secured Parties.

Section 5.7. Intellectual Property Security Agreement With respect to Patents and Copyrights, the Company agrees to execute an Intellectual Property Agreement, for recording the security interest granted hereunder to the Agent in such Patents and Copyright with the United States Patent and Trademark Office and any other governmental authorities necessary to perfect the security interest hereunder in such Collateral.

ARTICLE 6 - PROVISIONS CONCERNING ALL COLLATERAL

The Company represents, warrants and covenants as follows:

Section 6.1. Protection of Agent's Security. The Company will at all times keep its Inventory and Equipment insured in favor of the Agent, at the Company's own expense to the extent and in the manner provided in the Transaction Agreements. All policies or certificates with respect to such insurance (a) shall be endorsed to the Agent's reasonable satisfaction for the benefit of the Agent (including, without limitation, by naming the Agent as a loss payee) and (b) shall state that such insurance policies shall not be canceled without thirty (30) days' prior written notice thereof by the insurer to the Agent. Certified copies of such policies or certificates with respect thereto shall be deposited with the Agent. If the Company shall fail to insure its Inventory and Equipment in accordance with the preceding sentence, or if the Company shall fail to so endorse and deposit all policies or certificates with respect thereto, the Agent shall have the right (but shall be under no obligation), upon prior written notice to the Company, to procure such insurance and the Company agrees to promptly reimburse the Agent for all costs and expenses of procuring such insurance. The Agent shall apply any insurance proceeds in accordance with Section 7.4 hereof unless a different application is specifically provided in any Investor Agreement. The Company assumes all liability and responsibility in connection with the Collateral acquired by it and the liability of the Company to pay the Obligations shall in no way be affected or diminished by reason of the fact that such Collateral may be lost, destroyed, stolen, damaged or for any reason whatsoever unavailable to the Company.

Section 6.2. Further Actions. The Company will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Agent from time to time such lists, descriptions and designations of its Collateral, warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments and take such further steps relating to the Collateral and other property or rights covered by the security interest hereby granted, which the Agent deems reasonably appropriate or advisable to perfect, preserve or protect its security

interest in the Collateral. Without limiting the foregoing, the Company will cooperate with the Agent in obtaining control with respect to the Collateral, including, without limitation, Collateral consisting of deposit accounts, investment property, letter-of-credit rights, and electronic chattel paper.

Section 6.3. Financing Statements. The Company authorizes the Agent to file such financing statements (or similar statement or instrument of registration), in form reasonably acceptable to the Agent, as the Agent may from time to time reasonably determine or as are necessary or desirable in the reasonable opinion of the Agent to establish and maintain a valid, enforceable, first priority perfected security interest in the Collateral and the other rights and security contemplated hereby. The Company will pay any applicable filing fees, recordation taxes and related expenses relating to its Collateral. The Company authorizes the Agent to file any such financing statements (or similar statement or instrument of registration) without the signature of the Company.

ARTICLE 7 - REMEDIES UPON OCCURRENCE OF EVENT OF DEFAULT

Section 7.1. Remedies; Obtaining the Collateral Upon Default. The Company agrees that, if an Event of Default shall have occurred and be continuing, the Agent, shall have all rights of a secured creditor under the Uniform Commercial Code and may:

(i) personally, or by agents or attorneys, immediately take possession of the Collateral or any part thereof, from the Company or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon the Company's premises where any of the Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of the Company;

(ii) instruct the obligor or obligors on any agreement, instrument or other obligation (including, without limitation, the Receivables) constituting the Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Agent;

(iii) withdraw all monies, securities and instruments in the Cash Collateral Account and/or in any other cash collateral account for application to the Obligations;

(iv) sell, assign or otherwise liquidate any or all of the Collateral or any part thereof, or direct such Company to sell, assign or otherwise liquidate any or all of the Collateral or any part thereof, and, in each case, take possession of the proceeds of any such sale or liquidation;

(v) take possession of the Collateral or any part thereof, by directing such Company in writing to deliver the same to the Agent at any place or places reasonably designated by the Agent, in which event such Company shall at its own expense:

(x) forthwith cause the same to be moved to the place or places so designated by the Agent;

(y) store and keep any Collateral so delivered to the Agent at such place or places pending further action by the Agent; and

(z) while the Collateral shall be so stored and kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition;

(vi) license or sublicense, whether on an exclusive or nonexclusive basis, any Marks, Patents or Copyrights included in the Collateral for such term and on such conditions and in such manner as the Agent shall in its reasonable judgment determine;

(vii) Commence a proceeding in a court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver-manager) and each Company consents to such appointment; and

(viii) Exercise any other right available under applicable law;

it being understood that the Company's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to a court of equity having jurisdiction, the Agent shall be entitled to a decree requiring specific performance by the Company, or any of them, of said obligation. This Agreement may be enforced only by the Agent and that no Investor shall have any right individually to seek to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies shall be exercised by the Agent for the benefit of the Investors upon the terms of the Purchase Agreement.

Section 7.2. Remedies: Disposition of the Collateral. Any Collateral whether or not in the possession of the Agent, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Agent may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any sale or disposition, subject to the provisions of applicable law, may be made by private or public proceedings. Except as required by applicable law, any sale or other disposition may be made without advertising or notice of any kind. Where notification of time, place or other terms of a sale or other disposition is required by law, ten (10) days notice shall be deemed reasonable. To the extent permitted by applicable law, the Agent may bid for and become the purchaser of the Collateral or any item thereof offered for sale without accountability to the applicable Company.

Section 7.3. Use of Property; Power of Attorney. The Company grants to the Agent the following (which the Agent shall not exercise except after and during the continuance of an Event of Default):

- (a) right to use all premises or places of business that the Company presently has or may hereafter have without change for purposes of protecting and liquidating Collateral;
- (b) a royalty fee license to use any Marks, Patents, Copyrights, Trade Secrets or Proprietary Right for purposes of manufacturing, selling and otherwise liquidating Collateral;
- (c) right to collect any mail; and
- (d) a power of attorney to (i) endorse in the name of the Company any notes, checks, drafts, money orders or other instruments of payment or any invoice, freight bill, bill of lading, warehouse receipt or the like which comes into the possession of the Agent; (ii) to direct the United States Post Office to change the address to which mail is delivered, and (iii) any and all other acts as the Agent deems necessary to protect and liquidate the Collateral.

Section 7.4. Waiver of Claims. THE COMPANY HEREBY WAIVES TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTICE AND JUDICIAL HEARING IN CONNECTION WITH THE AGENT'S TAKING POSSESSION OR THE AGENT'S DISPOSITION OF ANY OF THE COLLATERAL, INCLUDING, WITHOUT LIMITATION, ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT WHICH THE COMPANY WOULD OTHERWISE HAVE UNDER THE CONSTITUTION OR ANY STATUTE OF THE UNITED STATES OR OF ANY STATE, and (b) the Company hereby further waives, to the extent permitted by law,

- (a) all damages occasioned by such taking of possession except any damages which are determined by a final, non-appealable court order to have been caused by the Agent's gross negligence or willful misconduct;
- (b) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Agent's rights hereunder; and
- (c) all rights of redemption, appraisalment, valuation, stay, extension or moratorium now or hereafter in force under any applicable law in order to prevent or delay the enforcement of this Agreement or the absolute sale of the Collateral or any portion thereof, and each Company, for itself and all who may claim under it, insofar as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws.

Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the Company therein and thereto, and shall be a perpetual bar both at law and in equity against the Company and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under the Company.

Section 7.5. Application of Proceeds.

(a) All moneys collected by the Agent upon any sale or other disposition of the Collateral, together with all other moneys received by the Agent hereunder, shall be applied as provided in the Purchase Agreement.

(b) Each of the Investors agrees and acknowledges that, if there are undrawn amounts with respect to Letters of Credit issued under the Purchase Agreement, the Agent may hold proceeds as cash collateral for such Letters of Credit. If any proceeds are held as cash collateral pursuant to the immediately preceding sentence, then upon the termination of all outstanding Letters of Credit, if there remains any excess cash, such excess cash shall be distributed in accordance with the Purchase Agreement.

Section 7.6. Remedies Cumulative. Each and every right, power and remedy hereby specifically given to the Agent under this Agreement, shall be in addition to every other right, power and remedy given under the other Transaction Agreements or now or hereafter existing at law, in equity or by statute and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Agent. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Agent in the exercise of any such right, power or remedy and no renewal or extension of any of the Obligations shall impair any such right, power or remedy or shall be construed to be a waiver of any Default or Event of Default or an acquiescence therein. No notice to or demand on any Company in any case shall entitle the Company to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Agent to any other or further action in any circumstances without notice or demand. In the event that the Agent shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Agent may recover reasonable expenses, including reasonable attorneys' fees, and the amounts thereof shall be included in such judgment.

Section 7.7. Discontinuance of Proceedings. In case the Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Agent, then and in every such case the Company, the Agent and each holder of any of the Obligations shall be restored to their former positions and rights hereunder with respect to the Collateral subject to the security interest created under this Agreement, and all rights, remedies and powers of the Agent shall continue as if no such proceeding had been instituted.

ARTICLE 8 - DEFINITIONS

All capitalized terms used herein without definition shall have the respective meanings provided therefore in the Purchase Agreement. In addition to terms defined elsewhere herein, the following terms shall have the meanings herein specified. Such definitions shall be equally applicable to the singular and plural forms of the terms defined.

“Account” shall have the meaning provided in the Uniform Commercial Code.

“Agreement” shall mean this Security Agreement as the same may be modified, supplemented or amended from time to time in accordance with its terms.

“Cash Collateral Account” shall mean a non-interest bearing cash collateral account maintained with, and in the sole dominion and control of, the Agent for the benefit of the Secured Parties.

“Chattel Paper” shall have the meaning provided in the Uniform Commercial Code.

“Commercial Tort Claim” shall have the meaning provided in the Uniform Commercial Code.

“Copyrights” shall mean any United States copyright owned (or subject to the rights of ownership) by the Company, including any registrations of any copyright, in the United States Copyright Office, as well as any application for a copyright registration now or hereafter made with the United States Copyright Office by the Company.

“Default” shall mean any event which, with notice or lapse of time, or both, would constitute an Event of Default.

“Deposit Account” shall have the meaning provided in the Uniform Commercial Code.

“Document” shall have the meaning provided in the Uniform Commercial Code.

“Event of Default” shall mean any Event of Default under, and as defined in, the Purchase Agreement and shall in any event, without limitation, include any payment default on any of the Obligations after the expiration of any applicable grace period.

“General Intangibles” shall have the meaning provided in the Uniform Commercial Code.

“Goods” shall have the meaning provided in the Uniform Commercial Code.

“Instrument” shall have the meaning provided in the Uniform Commercial Code.

“Investment Property” shall have the meaning provided in the Uniform Commercial Code.

“Letter-of-Credit Right” shall have the meaning provided in the Uniform Commercial Code.

“Liens” shall mean any security interest, mortgage, pledge, lien, claim, charge, encumbrance, title retention agreement, lessor’s interest in a financing lease or analogous instrument, in, of, or on the Company’s property.

“Marks” shall mean any United States trademarks, service marks and trade names now owned, subject to a right of ownership or hereafter acquired by the Company, including any registration of, or application for, any trademarks and service marks in the United States Patent

and Trademark Office, and any trade dress including logos and/or designs used by the Company in the United States.

“Obligations” shall mean, with respect to the Company, (a) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations and liabilities of the Company now existing or hereafter incurred under, arising out of or in connection with any Transaction Agreement and the due performance and compliance by the Company with the terms of each such Transaction Agreement; (b) any and all sums advanced by the Agent in order to preserve the Collateral or preserve its security interest in the Collateral; (c) in the event of any proceeding for the collection or enforcement of any obligations or liabilities, after a Default shall have occurred and be continuing, the reasonable expenses of re-taking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by the Agent of its rights hereunder, together with reasonable attorneys’ fees and court costs; and (d) all amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement under this Agreement.

“Patents” shall mean any United States patent owned, subject to a right of ownership by or hereafter acquired by the Company and any divisions, continuations, reissues, reexaminations, extensions or renewals thereof, as well as any application for a United States patent now or hereafter made by the Company or subject to a right of ownership in the Company.

“Proceeds” shall have the meaning provided in Section 1.1 of this Agreement.

“Proprietary Information” means all information and know-how worldwide, including, without limitation, technical data, manufacturing data, research and development data, manufacturing data, research and development data, data relating to compositions, processes and formulations, manufacturing and production know-how and experience, management know-how, training programs, manufacturing, engineering and other drawings, specifications, performance criteria, operating instructions, maintenance manuals, technology, technical information, software, engineering and computer data and databases, design and engineering specifications, catalogs, promotional literature and financial, business and marketing plans, inventions and invention disclosures.

“Secured Parties” means the Agent and the Investors.

“Supporting Obligation” shall have the meaning provided in the Uniform Commercial Code.

“Uniform Commercial Code” shall mean Revised Article 9 as in effect under the law governing this Agreement as in effect on the date hereof.

“Termination Date” shall have the meaning provided in Section 9.8(a) of this Agreement.

“Trade Secrets” means any secretly held existing engineering and other data, information, production procedures and other know-how relating to the design, manufacture, assembly, installation, use, operation, marketing, sale and servicing of any products or business of any Company worldwide whether written or not written.

ARTICLE 9 - MISCELLANEOUS

Section 9.1. Notices. Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given (a) when delivered to the party, or (b) at the conclusion of the next Business Day if sent by overnight service, or three (3) days after mailing by first class mail postage prepaid addressed as follows:

if to the Company:

Koolspan, Inc.
4962 Fairmont Avenue
Bethesda, MD 20814
Attention: Anthony C. Fascenda
Fax: (240) 880-4402

with a copy to:

Cooley Godward, LLP
One Freedom Square, Reston Town Center
11951 Freedom Drive
Reston, VA 20190-5656
Attn: Mark D. Spoto, Esq.
Fax: (703) 456-8100

if to the Agent:

TWJ Capital LLC
Six Landmark Square, Suite 404
Stamford, CT 06901-2792
Attn: Thomas W. Jones
Fax: (203) 359-5810

with a copy to:

Goodwin Procter LLP
599 Lexington Avenue
New York, NY 10022
Attention: Lori S. Smith, Esq.
Fax: (212) 355-3333

if to any Investor,

at such address as such Investor shall have specified in the Purchase Agreement.

or at such other address as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

Section 9.2. Waiver; Amendment. None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Company and the Agent (or, to the extent required by the Purchase Agreement, all of the Investors).

Section 9.3. Intentionally Omitted.

Section 9.4. Successors and Assigns. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of the Agent and the Secured Parties and their respective successors and assigns. All agreements, statements, representations and warranties made by the Company herein or in any certificate or other instrument delivered by the Company or on its behalf under this Agreement shall be considered to have been relied upon by the Secured Parties and shall survive the execution and delivery of this Agreement and the other Transaction Agreements regardless of any investigation made by the Agent or the Secured Parties or on their behalf.

Section 9.5. Headings Descriptive. The headings of the several sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

Section 9.6. Governing Law. This agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and be governed by the internal laws of the State of New York.

Section 9.7. Company's Duties. It is expressly agreed, anything herein contained to the contrary notwithstanding, that the Company shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Collateral and the Agent shall not have any obligations or liabilities with respect to any Collateral by reason of or arising out of this Agreement, nor shall the Agent be required or obligated in any manner to perform or fulfill any of the obligations of the Company under or with respect to any Collateral.

Section 9.8. Termination; Release. This Agreement shall terminate (provided that all indemnities set forth in the Purchase Agreement shall survive such termination) on the Termination Date and the Agent, at the request and expense of the Company, will promptly execute and deliver to the Company a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement, authority to file termination statements under the Uniform Commercial Code and will duly assign, transfer and deliver to the Company (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Agent and has not theretofore been sold or otherwise applied or released pursuant to this Agreement. As used in this Agreement, "Termination Date" shall mean the date upon which all Obligations have been paid in full, all commitments with respect thereto have terminated, no Note is outstanding, all Letters of Credit have been terminated and all other Obligations then due and payable have been paid in full. The Company shall have no authority

to file termination, release or other amendments to financing statements without specific written authorization from the Agent.

Section 9.9. WAIVER OF JURY TRIAL; VENUE. THE COMPANY (BY ACCEPTANCE OF THIS AGREEMENT) HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE NOTES OR ANY OTHER TRANSACTION DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY, INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS OR ACTIONS OF THE AGENT OR ANY INVESTOR RELATING TO THE ADMINISTRATION OF OR ENFORCEMENT OF THIS AGREEMENT OR ANY OF THE OTHER TRANSACTION DOCUMENTS, AND AGREES THAT NO PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, THE COMPANY HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. THE COMPANY CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE AGENT OR ANY INVESTOR HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE AGENT OR ANY INVESTOR WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE AGENT AND THE INVESTORS TO ENTER INTO THIS AGREEMENT. THE COMPANY AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS AGREEMENT OR ANY OF THE OTHER TRANSACTION DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING IN THE SOUTHERN DISTRICT OF NEW YORK AND CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURT AND SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE COMPANY, BY MAIL AT THE ADDRESS SET FORTH IN SECTION 9.1. THE COMPANY HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT FORUM.

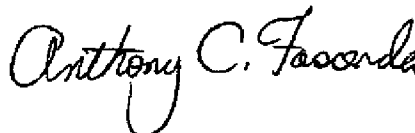
Section 9.10. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

Section 9.11. The Agent. The Agent will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood and agreed that the obligations of the Agent as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

DEBTORS:

KOOLSPAN, INC.



By _____

Name: Anthony C. Fascenda

Title: CEO

AGENT:

TWJ Capital Opportunity Fund I, L.P.,
as Agent

By _____

Name:

Title:

Apr 14 06 07:41a

Mr. Thomas W. Jones

203-359-5810

p.2

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

DEBTORS:

KOOLSPAN, INC.

By _____
Name:
Title:

AGENT:

TWJ Capital Opportunity Fund I, L.P.,
as Agent

By Thomas W Jones
Name: Thomas W. Jones
Title: Managing Member TWJ Capital Opportunity
LLC

EXHIBIT B
to
SECURITY
AGREEMENT

LIST OF MARKS

“Smart WiFi”	76/368773
“KoolSpan”	76/368687
“TrustChip”	78/550581

B-1

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (as amended, amended and restated, supplemented or otherwise modified from time to time, the "IP Security Agreement") dated April 13, 2006, is made by Koolspan, Inc., a Delaware corporation (the "Company"), in favor of TWJ Capital Opportunity Fund I, L.P., as Agent (the "Secured Party").

WHEREAS, the Company has entered into a Note Purchase Agreement dated as of April 13, 2006 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Purchase Agreement"), with the Secured Party, and the Purchasers from time to time parties thereto. Terms defined in the Purchase Agreement and not otherwise defined herein are used herein as defined in the Purchase Agreement.

WHEREAS, as a condition precedent to the making of loans under the Purchase Agreement, the Company has executed and delivered that certain Security Agreement made by the Company to the Secured Party dated as of April 13, 2006 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement").

WHEREAS, under the terms of the Security Agreement, the Company has granted a security interest in, among other property, certain intellectual property of the Company to the Secured Party, and has agreed as a condition thereof to execute this Intellectual Property Security Agreement covering such intellectual property for recording with the United States Patent and Trademark Office, the United States Copyright Office and other governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company agrees as follows:

SECTION 1. Grant of Security. The Company hereby grants to the Secured Party a security interest in and to all of the Company's right, title and interest in and to the following (the "Collateral"):

(i) The United States patents, patent applications, and patent licenses set forth in Schedule A hereto (as such Schedule A may be supplemented from time to time by supplements to the Security Agreement and this Intellectual Property Security Agreement, each such supplement being in substantially the form of Appendix A hereto and the sole purpose of which supplement shall be to add Additional Collateral (as defined in Appendix A) to this Agreement (an "Intellectual Property Security Agreement Supplement"), executed and delivered by the Company to the Secured Party from time to time), together with all reissues, divisions, continuations, continuations-in-part, extensions and reexaminations thereof, and all rights therein provided by international treaties or conventions (the "Patents");

(ii) The United States trademark and service mark registrations, applications, and licenses set forth in Schedule B hereto (as such Schedule B may be supplemented

from time to time by Intellectual Property Security Agreement Supplements executed and delivered by the Company to the Secured Party from time to time), (the "Trademarks");

(iii) The copyrights, United States copyright registrations and applications and copyright licenses set forth in Schedule C hereto (as such Schedule C may be supplemented from time to time by Intellectual Property Security Agreement Supplements executed and delivered by the Company to the Secured Party from time to time) (the "Copyrights");

(iv) any and all claims for damages for past, present and future infringement, misappropriation or breach with respect to the Patents, Trademarks and Copyrights, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(v) any and all proceeds of the foregoing.

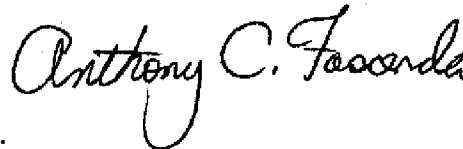
SECTION 2. Recordation. The Company authorizes and requests that the Register of Copyrights, the Commissioner of Patents and Trademarks and any other applicable government officer record this Intellectual Property Security Agreement.

SECTION 3. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 4. Grants, Rights and Remedies. This Intellectual Property Security Agreement has been entered into in conjunction with the provisions of the Security Agreement. The Company does hereby acknowledge and confirm that the grant of the security interest hereunder to, and the rights and remedies of, the Secured Party with respect to the Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated herein by reference as if fully set forth herein.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

KOOLSPAN, INC.



By: _____

Name: Anthony C. Fascenda

Title: CEO

Address for Notices:

KoolSpan Inc.
4962 Fairmont Ave.
Bethesda, MD 20814

A-1 to Exhibit E

SCHEDULE B
to
INTELLECTUAL PROPERTY SECURITY
AGREEMENT

LIST OF MARKS

“Smart WiFi”	76/368773
“KoolSpan”	76/368687
“TrustChip”	78/550581