

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Intellectual Property Security Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
In-Three, Inc.		10/20/2006	CORPORATION:
RECEIVING PARTY DATA			
Name:	Michael Curtis Kaye		
Street Address:	6050 Macadam Court		
City:	Agoura Hills		
State/Country:	CALIFORNIA		
Postal Code:	91301		
Entity Type:	INDIVIDUAL: UNITED STATES		
PROPERTY NUMBERS Total: 5			
Property Type	Number	Word Mark	
Registration Number:	2644205	DIMENSIONALIZATION	
Registration Number:	3072431	DIMENSIONALIZED	
Serial Number:	78487359	DZN	
Serial Number:	78487364	DZN'D	
Serial Number:	76451879	DIMENSIONALIST	
CORRESPONDENCE DATA			
Fax Number:	(202)756-9299		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Email:	matthew.mayer@thomson.com		
Correspondent Name:	Sandor X. Mayuga		
Address Line 1:	Keesal, Young & Logan, 400 Oceangate		
Address Line 4:	Long Beach, CALIFORNIA 90802		
NAME OF SUBMITTER:	Matthew Mayer		
Signature:	/Matthew Mayer/		

CH \$140.00 2644205

Date:

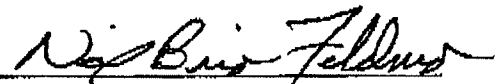
10/31/2006

Total Attachments: 21

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RIDER TO FORM PTO-1594

Item No. 9 – Signature Block

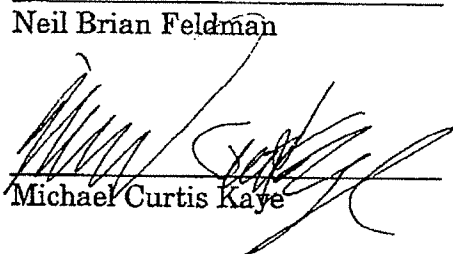

Neil Brian Feldman

Michael Curtis Kaye

RIDER TO FORM PTO-1594

Item No. 9 – Signature Block

Neil Brian Feldman



Michael Curtis Kaye

RIDER TO FORM PTO-1594

Conveying Party: In-Three, Inc.

Item No. 2 – Receiving Parties

Individual Citizenship: United States

Michael Curtis Kaye

6050 Macadam Court

Agoura Hills, California 91301

EXHIBIT A

INTELLECTUAL PROPERTY COLLATERAL

U.S. Trademarks:

MARK	REGISTRATION OR APPLICATION NO.	REGISTRATION OR APPLICATION DATE
Dimensionalization®	2,644,205	October 29, 2002
Dimensionalized®	3,072,431	March 28, 2006
DZN™ Allowed: file Statement of Use by 03/28/2007	78/487359	September 21, 2004
DZN'D™ Allowed: file Statement of Use by 03/28/2007	78/487364	September 21, 2004
Dimensionalize™	No application filed	
Dimensionalizes™	No application filed	
Dimensionalizing™	No application filed	
Dimensionalist™ Abandoned: 05/20/2004	76/451879	September 23, 2002
Logo for DZN®	No application filed	

Foreign Trademarks:

MARK	REGISTRATION OR APPLICATION NO.	REGISTRATION OR APPLICATION DATE
DZN	European Community Trademark Registration 004347456	April 18, 2006
DZN'D	European Community Trademark Registration 004347373	April 20, 2006

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement ("Agreement") is effective as of June 23, 2006 and is entered into by and among In-Three, Inc., a Nevada corporation ("Debtor"), and Neil B. Feldman, an individual ("Feldman"), and Michael C. Kaye, an individual ("Kaye"). The term "Secured Party" refers to Kaye and Feldman, collectively and individually, as the secured parties under this Agreement.

A. Attached to this Agreement as Exhibit A is a memorandum entitled, "Outline of Terms for Lending of Additional Operating Funds to In-Three Inc. - June 23, 2006" (the "Outline"), signed by both Kaye and Feldman, which sets forth their mutual intent with respect to the terms on which both are willing to advance funds up to the amount of \$1,000,000 after June 23, 2006. The terms short-titled and defined in the Outline, when used in this Agreement, have the same meaning as defined in the Outline. Debtor intends to grant to Secured Party pursuant to this Agreement the security interest in Debtor's Intellectual Property Collateral, as such term is defined below, to secure the New Loan and the Existing Loan. All amounts due for principal, interest and any other amounts owing to Feldman and Kaye under the New Loan and the Existing Loan are individually and collectively referred to in this Agreement as the "Indebtedness"

B. The Indebtedness is evidenced by the following promissory notes, true and correct copies of which are appended to this Agreement: (i) Promissory Note #7, dated October, 2006, in the face amount of \$4,000,000, payable to Feldman representing the aggregate amount of Debtor's indebtedness to Feldman under the Existing Loan and the New Loan, a copy of which is attached as Exhibit B; and (ii) Promissory Note #MK1, dated October, 2006, in the face amount of \$500,000, payable to Kaye, representing Debtor's indebtedness to Kaye under the New Loan, a copy of which is attached as Exhibit C.

C. It is the intent of the parties that this Agreement govern the terms on which the Indebtedness shall be secured. The parties acknowledge that this Agreement shall secure all obligations of the Debtor to the lenders under both the Existing Loan and the New Loan, including without limitation all interest and principal advances of funds to Debtor pursuant to the New Loan, whenever made.

The parties to this Agreement therefore agree as follows:

1. Intellectual Property Collateral. To secure the Indebtedness, Debtor hereby grants to Secured Party a security interest in all of its right, title and interest in, to and under the Intellectual Property Collateral, as defined below. As used in this Agreement, the term "Intellectual Property Collateral" shall mean all business property of Debtor that is considered intellectual property, including patents, Trademarks (as defined below) and other Intangible Rights (as defined below), including, but not limited to, those patents and Trademarks identified in Schedule 1 attached to this Agreement.

a. As used in this Agreement, "Intangible Rights" means any and all existing and future patents, Trademarks and copyrights, whether or not registered, pending or in process, registered and unregistered designs, any and all educational and training materials, all applications for any of the foregoing, and all permits, grants and licenses or other rights running to or

from or relating to any of the foregoing, trade secrets or proprietary information, processes, source code, product development and product development techniques, operational methods, technical processes, formulae, designs and design projects, inventions, research projects, know-how, inventions, technology and all educational and training materials and all other business assets that are considered intellectual property and that are owned by Debtor and in which Debtor has any rights.

b. The term "Trademarks" means any and all of the following: (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, brand names, trade dress, prints and labels on which any of the foregoing have appeared or appear, package and other designs, and any other source or business identifiers, and general intangibles of like nature, and the rights in any of the foregoing which arise under applicable law, (ii) the goodwill of the business symbolized thereby or associated with each of them, (iii) all registrations and applications in connection therewith, including registrations and applications in the United States Patent Office or in any similar office or agency of the United States, any State thereof or other country, or any political subdivision thereof, including those identified in Schedule I, (iv) all reissues, extensions and renewals thereof, (v) all claims for, and rights to sue for, past or future infringements of any of the foregoing, and (vi) all income, royalties, damages and payments now or hereafter due or payable with respect to any of the foregoing, including damages and payments for past or future infringements thereof.

2. Administration of Security Interest in Intellectual Property Collateral. Secured Party may at any time and from time to time file such financing statements or other notice or evidence of the security interest granted pursuant to this Agreement in any jurisdiction where the Intellectual Property Collateral may exist pursuant to the Uniform Commercial Code or such other law as may be applicable in such jurisdiction. Debtor shall cooperate with Secured Party in taking such action as may be necessary or advisable, as requested by Secured Party, to accomplish the attachment, perfection and noticing of Secured Party's security interest granted under this Agreement. The parties agree that at the time this Agreement is entered into and at all times until a Termination Event (as defined below), the security interest of Secured Party granted under this Agreement shall be in first lien position.

3. Power of Attorney. Debtor hereby irrevocably constitutes and appoints Secured Party and either of them, with full power of substitution, as its true and lawful attorney-in-fact with full power and authority in the name of Debtor or in its name, from time to time, in Secured Party's discretion, to take with respect to the Intellectual Property Collateral any and all appropriate action which Debtor might take with respect to the Intellectual Property Collateral and to execute any and all documents and instruments which may be necessary or desirable to carry out the terms of this Agreement and to accomplish the purposes hereof.

4. Termination Event. Upon the repayment of the Indebtedness in full or upon the mutual agreement of the parties (a "Termination Event"), the security interest granted pursuant to this Agreement shall be released and all financing statements and other notice or evidence of the security interest granted pursuant to this Agreement shall be terminated or released.

5. Representations and Warranties. Debtor represents and warrants that:

(a) Debtor is the legal and beneficial owner of the Intellectual Property Collateral which, as of the date of this Agreement, is owned free and clear of any liens or other encumbrances;

(b) Debtor is a corporation duly organized, validly existing and in good standing under the laws of Nevada;

(c) Debtor has the power and authority to enter into and perform this Agreement, to incur the obligations hereunder and has taken all actions necessary to authorize the execution, delivery and performance of this Agreement;

(d) The making and performance of this Agreement by Debtor will not (immediately or with the passage of time or the giving of notice)

(i) violate Debtor's Articles of Incorporation or violate any laws or result in a default under any contract, agreement or instrument to which Debtor is a party or by which its property is bound or

(ii) result in the creation or imposition of any lien upon any of the assets of Debtor; and

(e) No consent, authorization, approval or other action by a third person is necessary for this grant of a security interest by Debtor to be effective.

6. Covenants. Debtor covenants that until the Termination Event, Debtor:

(a) Shall conduct its business in the ordinary course, subject to such additional actions as may be contemplated or agreed to by the parties in connection with the effort to obtain the additional Financing defined and described in the Outline;

(b) Permit Secured Party to have access to Debtor's books, records and properties for the purpose of monitoring, evaluating and satisfying itself as to the condition and location of the Intellectual Property Collateral;

(c) Not grant or attempt to grant any security interest in the Intellectual Property Collateral, or to incur any indebtedness except for trade accounts payable or accrued and deferred liabilities incurred and continuing in the ordinary course of business;

(d) Maintain at all times during this Agreement insurance on the Intellectual Property Collateral of such type and in such amount consistent with past practices and in the ordinary course of its business, provided that Debtor shall name Secured Party as "loss payee" to the extent of its interest in such Intellectual Property Collateral;

(e) Keep the Intellectual Property Collateral free and clear of liens of any kind, except as permitted in this Agreement;

(f) Maintain, keep and preserve the Intellectual Property Collateral in good repair and working order in the ordinary course and to maintain and protect the Intellectual Property Collateral, including all patents, trademarks and other intellectual property material to its business.

7. Event of Default; Allocation of Proceeds between Secured Parties. An "Event of Default" shall occur upon non-payment or other breach of the Note or upon breach of this Agreement. Upon an Event of Default, the Secured Party shall have all rights and remedies with respect to the Intellectual Property Collateral afforded a secured creditor under Article 9 of the Uniform Commercial Code. An Event of Default shall not be considered to have occurred with respect to a default other than non-payment of the Note unless Secured Party shall first give Debtor written notice of the event or conduct constituting a non-payment default and permitting Debtor ten (10) business days to cure such non-payment default, provided further, however, that if Debtor commences cure of a non-payment default and cure would take more than ten business days even if diligently pursued, Debtor shall have such additional time as may be reasonably required to cure such non-payment default provided it commences such cure and diligently prosecutes it to completion. In the event of the liquidation of the Intellectual Property Collateral, the net proceeds available for distribution to Feldman and Kaye, after the payment of all expenses and costs of collection and liquidation, shall be paid to each in proportion to the amount of the Indebtedness owed to each by the Debtor, as illustrated in the example set forth in Paragraph 2 of the Outline attached as Exhibit A.

8. Permitted Encumbrances. Notwithstanding anything in this Agreement, an Event of Default shall not include the creation of any lien or security interest in the Intellectual Property Collateral if any such lien is:

- (a) Is a lien for taxes imposed but not yet due or delinquent;
- (b) Lien for taxes contested in good faith;
- (c) Statutory liens of carriers, warehousemen, mechanics, material men and other similar liens arising by operation of law which are incurred in the ordinary course of business.

9. Attorney's Fees, Costs and Expenses. In the event of any action to interpret or enforce this Agreement, the party determined to be the "prevailing party" in any such action shall be entitled to recover such party's attorney's fees, costs and expenses arising out of such action to interpret or enforce this Agreement. Debtor shall defend, indemnify and hold harmless Secured Party from and against any and all claims, losses, judgments, damages and liabilities arising out of the breach of this Agreement or the exercise of any right or remedy of the Secured Party, except to the extent that any such loss, damage or liability arises out of the negligence or willful misconduct of the Secured Party.

10. Termination. This Agreement shall terminate upon the occurrence of a Termination Event. Contemporaneous with such termination or as promptly thereafter as possible, Secured Party shall terminate all financing statements and take such other actions as may be necessary to terminate and reconvey any security interest arising under this Agreement.

11. Notices. All notices, consents, waivers, and other communications under this agreement shall be in writing and shall be deemed to have been given when delivered by hand, or sent by facsimile (with written confirmation of receipt), or sent by registered mail, return receipt requested, or when received by the addressee if sent by nationally recognized overnight delivery service (receipt requested), addressed to each party at the addresses set forth above.

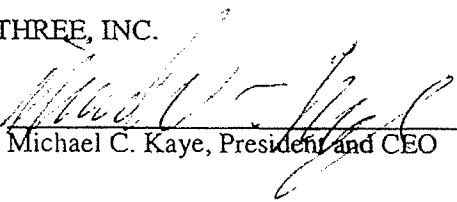
12. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California, without regard to principles of conflicts or choice of law.

13. Effective Date. The parties execute this Agreement on the date set forth below, but effective as of June 23, 2006.

Date: OCT. 20, 2006

DEBTOR:

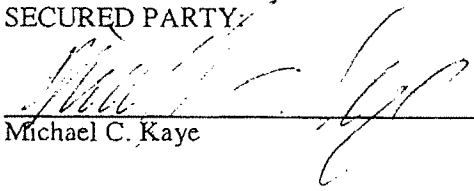
IN-THREE, INC.

By: 
Michael C. Kaye, President and CEO

By: _____
Neil B. Feldman, Senior Vice President

Date: OCT. 20, 2006

SECURED PARTY:


Michael C. Kaye

Neil B. Feldman

SCHEDULE 1

INTELLECTUAL PROPERTY COLLATERAL

U.S. Patents (issued or pending):

TITLE	PATENT NO. OR APPLICATION NO.	DATE OF PATENT OR APPLICATION DATE
System and Method for Converting Two-Dimensional Images into Three-Dimensional Images	6,208,348	March 27, 2001
Image Processing System and Method for Converting Two-Dimensional Images into Three-Dimensional Images	6,686,926	February 3, 2004
Method & System for Creating Realistic Smooth Three-Dimensional Depth Contours from Two-Dimensional Images	6,515,659	February 4, 2003
Method for Conforming Objects to a Common Depth Perspective for Converting Two-Dimensional Images into Three-Dimensional Images	7,102,633	September 5, 2006
Method of Hidden Surface Reconstruction for Creating Accurate Three-Dimensional Images Converted from Two-Dimensional Images	7,116,323	October 3, 2006
Method for Minimizing Visual Artifacts Converting Two-Dimensional Motion Pictures into Three-Dimensional Motion Pictures	7,116,324	October 3, 2006
Method for Creating and Presenting an Accurate Reproduction of Three-Dimensional Images Converted from Two-Dimensional Images	10/792,368	March 2, 2004
Method for Creating Artifact Free Three-Dimensional Images Converted from Two-Dimensional Images	10/882,524	June 30, 2004

LB1066490

Foreign Patents (issued or pending):

TITLE	PATENT NO. OR APPLICATION No.	DATE OF PATENT OR APPLICATION DATE
Method for Conforming Objects to a Common Depth Perspective for Converting Two-Dimensional Images into Three-Dimensional Images	PCT/US2005/ 001389	15 January 2005
Method of Hidden Surface Reconstruction for Creating Accurate Three-Dimensional Images Converted from Two-Dimensional Images	PCT/US2005/ 001988	21 January 2005
Method for Minimizing Visual Artifacts Converting Two-Dimensional Motion Pictures into Three-Dimensional Motion Pictures	PCT/US2005/ 001977	21 January 2005
Method for Creating and Presenting an Accurate Reproduction of Three-Dimensional Images Converted from Two-Dimensional Images	PCT/US2005/ 006560	28 February 2005
Method for Creating Artifact Free Three-Dimensional Images Converted from Two-Dimensional Images	PCT/US2005/ 023283	29 June 2005

LB1066490

U.S. Trademarks:

MARK	REGISTRATION OR APPLICATION NO.	REGISTRATION OR APPLICATION DATE
Dimensionalization [®]	2,644,205	October 29, 2002
Dimensionalized [®]	3,072,431	March 28, 2006
DZN [™] Allowed: file Statement of Use by 03/28/2007	78/487359	September 21, 2004
DZN'D [™] Allowed: file Statement of Use by 03/28/2007	78/487364	September 21, 2004
Dimensionalize [™]	No application filed	
Dimensionalizes [™]	No application filed	
Dimensionalizing [™]	No application filed	
Dimensionalist [™] Abandoned: 05/20/2004	76/451879	September 23, 2002
Logo for DZN [®]	No application filed	

Foreign Trademarks:

MARK	REGISTRATION OR APPLICATION NO.	REGISTRATION OR APPLICATION DATE
DZN	European Community Trademark Registration 004347456	April 18, 2006
DZN'D	European Community Trademark Registration 004347373	April 20, 2006

LB1066490

EXHIBIT A

**OUTLINE OF TERMS FOR LENDING OF
ADDITIONAL OPERATING FUNDS IN
IN-THREE, INC. – JUNE 23, 2006**

LB1066490

**TRADEMARK
REEL: 003418 FRAME: 0483**

Outline of Terms for Lending of Additional Operating Funds to In-three, Inc.

June 23, 2006

The following is an outline of a proposal for the existing shareholders (individually, "Kaye" and "Feldman" and collectively, the "Shareholders") of In-Three, Inc. (the "Company") to advance funds to the Company for the purpose of paying expenses of the Company until a bridge loan, an equity investment or other form of financing (a "Financing") from a third-party (an "Investor") can be arranged.

As of this date, the Company is indebted to Feldman in the amount of approximately \$3.5 million which, together with the unpaid interest thereon, is referred to in this Outline as the "Existing Loan." The exact amounts of the principal and interest owing on the Existing Loan are a matter of record among the Company and the Shareholders.

The Shareholders propose to make a loan to the Company on the following terms:

1. Amount: Each Shareholder shall loan up to \$500,000 to the Company, for a total of \$1,000,000 (the "New Loan"). However, the parties may by mutual agreement agree to increase the amount of the New Loan to an amount in excess of \$1,000,000. The New Loan shall be advanced to the Company incrementally in such amounts and at such times as may be mutually agreed by the Shareholders (each, an "Advance"). Each Advance shall be paid to the Company by each Shareholder in equal amounts.

2. Security.: The New Loan and the Existing Loan (collectively, the "Total Loan") shall be secured by all of the Company's intellectual property rights, such as they may be, as of the date of the New Loan, including all rights, whether or not registered or pending, to all patents, trademarks, copyrights, trade secrets, know-how and other such intellectual property rights of any kind whatsoever (the "Intellectual Property"). Each Shareholder shall have an undivided security interest in the Intellectual Property to the extent of their respective advances under the Total Loan. By way of example only, if the amount of the Company's indebtedness under the Total Loan is \$500,000 to Kaye and \$4,100,000 to Feldman, Kaye shall have an undivided 10.87% security interest in the Intellectual Property ($\$500,000 \div \$4,600,000$) and Feldman shall have an 89.13% undivided security interest in the Intellectual Property ($\$4,100,000 \div \$4,600,000$). In the event of the sale of the Intellectual Property to satisfy the Company's indebtedness under the New Loan and the Existing Loan, 10.87% of the net proceeds shall be due Kaye and 89.13% of the net proceeds shall be due to Feldman.

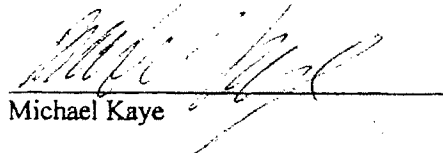
3. Terms: The interest rate, duration, terms of repayment and other such terms of the New Loan shall be the same as such terms in the Existing Loan.

4. Financing: In negotiating for Financing, the Shareholders, with the advice and assistance of the Company's investment bankers and counsel, shall endeavor to

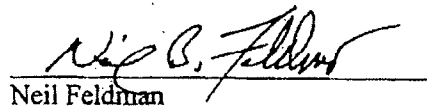
negotiate repayment of all or a portion of the New Loan and the Existing Loan on such terms as may be acceptable to an Investor. The Shareholders understand, however, that there can be no assurance that repayment of all or a portion of either or both of the New Loan and the Existing Loan can be successfully negotiated.

By signing this Outline, each Shareholder is signifying his concurrence with the terms of this proposal and authorizing Company counsel to proceed to document such advance to the Company on the terms reflected in this Outline.

Date: June 23, 2006



Michael Kaye



Neil Feldman

EXHIBIT B
PROMISSORY NOTE #7

LB1066490

TRADEMARK
REEL: 003418 FRAME: 0486



In-Three, Inc.
4580 East Thousand Oaks Blvd.
Westlake Village, California 91362

PROMISSORY NOTE #7

\$4,000,000.00

October 2006

FOR VALUE RECEIVED, In-Three, Inc., a Nevada Corporation ("Maker") promises to pay to the order of Neil B. Feldman, an Individual ("Payee"), at 9507 Overlea Drive, Rockville, Maryland, 20850, the Principal sum of **\$4,000,000.00** (Four Million and 00/100 Dollars) plus interest at Prime + 1.5% per annum to be compounded monthly on the balance outstanding from time to time. The Prime rate, as reported on the web site: <http://www.nfsn.com/library/prime.htm>, shall be used for the purposes of determining the Prime rate under this promissory note.

This note replaces and is a consolidation of the Principal owed on the **\$3,500,000.00** Promissory Note #6 issued in June 2006 plus an additional **\$500,000.00**. Maker acknowledges back interest accrued to date of \$351,083.33 on all loan advances hereunder as shown on attached Exhibit A.

Payment of Principal and Interest shall be due on October 1, 2008, or such other date or terms as may be mutually agreed. This Note may be prepaid in whole or in part at any time or from time to time without prepayment premium or penalty. Any such prepayment(s) shall be applied first against interest.

Security: The Note is secured by the Intellectual Property Security Agreement effective as of June 23, 2006 (see attached Exhibit B).

Default: The entire unpaid amount of this Note shall become immediately due at the option of Payee after a default in the payment of any installment payable here-under if such default is not cured within 10 (ten) days of the due date of any such installment.

The Maker shall be in default on this Note on the occurrence of any of the following events: (i) the Borrower shall fail to meet its obligation to make the required principal or interest payments hereunder; (ii) the Borrower shall be dissolved or liquidated; (iii) the Borrower shall make an assignment for the benefit of creditors or shall be unable to, or shall admit in writing their inability to pay their debts as they become due; (iv) the borrower shall commence any case, proceeding, or other action under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, or any such action shall be commenced against the undersigned; (v) the Borrower shall suffer a receiver to be appointed for it or for any of its property or shall suffer a garnishment, attachment, levy or execution.

Remedies: Lender may use all remedies in law and in equity to enforce and collect the amount owed under this Note. The Maker agrees to pay all reasonable costs, including attorney's fees, incurred by the Payee in collecting and enforcing payment of this Note in accordance with its terms.

Presentment or demand for payment, notice of dishonor, protest and notice of protest are hereby waived.

This Note may not be changed or altered except by written instrument executed by the Maker and Payee thereof.

In-Three, Inc.

By:


Michael C. Kaye, President and CEO

EXHIBIT A

Neil Feldman

Loan Principal & Interest History - Inception thru October 2006

Prime+1.5%

2004				
	<u>Loan Bal</u>	<u>Int Rate</u>	<u>Mo. Int.\$</u>	<u>Cum. Int.</u>
January	\$0			
February	\$0			
March	\$0			
April	\$0			
May	\$0			
June	\$0			
July	\$0			
August	\$0			
September	\$0			
October	\$500,000	6.25%	\$2,604.17	
November	\$1,000,000	6.25%	\$5,208.33	
December	\$1,000,000	6.25%	\$5,208.33	
Total 2004			\$13,020.83	\$ 13,020.83

2005			
	<u>Loan Bal</u>	<u>Int Rate</u>	<u>Mo. Int.\$</u>
January	\$1,000,000	6.25%	\$5,208.33
February	\$1,000,000	6.25%	\$5,208.33
March	\$1,500,000	7.00%	\$8,750.00
April	\$1,500,000	7.00%	\$8,750.00
May	\$1,500,000	7.00%	\$8,750.00
June	\$1,500,000	7.00%	\$8,750.00
July	\$1,500,000	7.00%	\$8,750.00
August	\$1,500,000	7.00%	\$8,750.00
September	\$1,500,000	7.00%	\$8,750.00
October	\$1,500,000	7.00%	\$8,750.00
November	\$1,500,000	7.00%	\$8,750.00
December	\$1,500,000	7.00%	\$8,750.00
Total 2005			\$97,916.67

Cum Total 12/31/05 \$110,937.50 \$110,937.50

2006				
	<u>Loan Bal</u>	<u>Int Rate</u>	<u>Mo. Int.\$</u>	<u>Cum Int.</u>
Jan	\$1,500,000	7.00%	\$8,750.00	\$119,687.50
Feb	\$2,500,000	9.00%	\$18,750.00	\$138,437.50
March	\$2,500,000	9.00%	\$18,750.00	\$157,187.50
April	\$2,500,000	9.00%	\$18,750.00	\$175,937.50
May	\$3,000,000	9.25%	\$23,125.00	\$199,062.50
June	\$3,500,000	9.50%	\$27,708.33	\$226,770.83
July	\$3,600,000	9.75%	\$29,250.00	\$256,020.83
Aug	\$3,775,000	9.75%	\$30,671.88	\$286,692.71
Sept.	\$3,925,000	9.75%	\$31,890.63	\$318,583.33
October	\$4,000,000	9.75%	\$32,500.00	\$351,083.33

EXHIBIT C
PROMISSORY NOTE #MK1

LB1066490

TRADEMARK
REEL: 003418 FRAME: 0489



In-Three, Inc.
4580 East Thousand Oaks Blvd.
Westlake Village, California 91362

PROMISSORY NOTE #MK1

\$500,000.00

October 2006

FOR VALUE RECEIVED, In-Three, Inc., a Nevada Corporation ("Maker") promises to pay to the order of Michael C. Kaye, an individual ("Payee"), at 4580 E. Thousand Oaks, Westlake Village, Ca. 91362, the Principal sum of \$500,000.00 (Five Hundred Thousand and 00/100 Dollars) plus interest at Prime + 1.5% per annum to be compounded monthly on the balance outstanding from time to time. The Prime rate, as reported on the web site: <http://www.nfsn.com/library/prime.htm>, shall be used for the purposes of determining the Prime rate under this promissory note.

Maker acknowledges back interest accrued to date of \$10,562.50 on all loan advances hereunder as shown on attached Exhibit A.

Payment of Principal and Interest shall be due on October 1, 2008, or such other date or terms as may be mutually agreed. This Note may be prepaid in whole or in part at any time or from time to time without prepayment premium or penalty. Any such prepayment(s) shall be applied first against interest.

Security: The Note is secured by the Intellectual Property Security Agreement effective as of June 23, 2006 (see attached Exhibit B).

Default: The entire unpaid amount of this Note shall become immediately due at the option of Payee after a default in the payment of any installment payable here-under if such default is not cured within 10 (ten) days of the due date of any such installment.

The Maker shall be in default on this Note on the occurrence of any of the following events: (i) the Borrower shall fail to meet its obligation to make the required principal or interest payments hereunder; (ii) the Borrower shall be dissolved or liquidated; (iii) the Borrower shall make an assignment for the benefit of creditors or shall be unable to, or shall admit in writing their inability to pay their debts as they become due; (iv) the borrower shall commence any case, proceeding, or other action under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, or any such action shall be commenced against the undersigned; (v) the Borrower shall suffer a receiver to be appointed for it or for any of its property or shall suffer a garnishment, attachment, levy or execution.

Remedies: Lender may use all remedies in law and in equity to enforce and collect the amount owed under this Note. The Maker agrees to pay all reasonable costs, including attorney's fees, incurred by the Payee in collecting and enforcing payment of this Note in accordance with its terms.

Presentment or demand for payment, notice of dishonor, protest and notice of protest are hereby waived.

This Note may not be changed or altered except by written instrument executed by the Maker and Payee thereof.

In-Three, Inc.

By

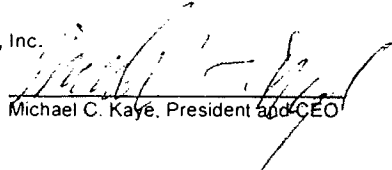

Michael C. Kaye, President and CEO

EXHIBIT A

Michael C. Kaye

Loan Principal & Interest History - Inception thru October 2006

Prime+1.5%

	2006				
	<u>Loan Bal</u>	<u>Int Rate</u>	<u>Mo. Int.\$</u>	<u>Cum Int.</u>	
Jan	\$0	7.00%	\$0.00	\$0.00	
Feb	\$0	9.00%	\$0.00	\$0.00	
March	\$0	9.00%	\$0.00	\$0.00	
April	\$0	9.00%	\$0.00	\$0.00	
May	\$0	9.25%	\$0.00	\$0.00	
June	\$0	9.50%	\$0.00	\$0.00	
July	\$100,000	9.75%	\$812.50	\$812.50	
Aug	\$275,000	9.75%	\$2,234.38	\$3,046.88	
Sept.	\$425,000	9.75%	\$3,453.13	\$6,500.00	
October	\$500,000	9.75%	\$4,062.50	\$10,562.50	Past Int. Per Prom Note #MK1