



103401708

To the Honorable Commissioner of Patents and Trademarks of the United States Department of Commerce, Washington, DC 20514-0001. Send original documents or copy thereof.

1. Name of conveying party(ies): 5.2.07
 Castel, Inc.

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

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies):
 Name: Castle & Mosey, LLC
 Internal Address: _____
 Street Address: 9700 Main Street
 City: Clarence State: NY ZIP: 14031

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State _____
 Other New York limited liability company

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)
 Additional name(s) and address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: _____

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)

Additional Numbers attached? Yes No

B. Trademark Registration No.(s)
3,130,306
2,990,162
2,531,125
 See attached

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Thomas E. Popek
Hodgson Russ LLP
 Internal Address: The Guaranty Building
 Street Address: 140 Pearl Street, Suite 100
 City: Buffalo State: NY ZIP: 14202-4040

6. Total number of applications and registrations involved: 13

7. Total fee (37 CFR 3.41)..... \$120.00
 Enclosed
 Authorized to charge deficiencies to deposit acct.

8. Deposit account number:
08-2442
 (Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Thomas E. Popek
 Name of Person Signing

Signature

April 27, 2007
 Date

05/02/2007 MJAMA1 00000064 3130306
 Total number of pages including cover sheet, attachments and document:
 01 FC:8521 40.00 OP
 02 FC:8522 50.00 OP

9

0000157035
 \$30.00
 CHECK Refund Total:

Mail documents to be recorded with required cover sheet information to:
 Mail Stop Assignment Recordation Services, Director of the U.S. Patent and Trademark Office
 P.O. Box 1450, Alexandria, VA 22313-1450

GENERAL SECURITY AGREEMENT (INCLUDING INTELLECTUAL PROPERTY)

THIS AGREEMENT is made as of the 23rd day of April 2007, between CASTEL, INC., a Delaware corporation having its chief executive office at 100 Cummings Center, Suite 152F, Beverly, Massachusetts 01915 ("Debtor") and CASTLE & MOSEY, LLC, a New York limited liability company having an office at 9700 Main Street, Clarence, New York 14031 ("Secured Party").

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Debtor agrees with Secured Party as follows:

1. **Certain Definitions.** In this Agreement:

- (a) *Collateral.* "Collateral" means, collectively, the following assets, wherever located, whether now owned or hereafter acquired or now existing or hereafter arising or accruing: (i) all of Debtor's Inventory, Accounts, Equipment, Fixtures, Investment Property, Intellectual Property (as defined below, including without limitation any of such property described in the Schedule), Deposit Accounts, General Intangibles, Documents, Instruments, Chattel Paper, Commercial Tort Claims, Letter-of-Credit Rights, Supporting Obligations, money and other personal property and (ii) all Products and Proceeds of the foregoing.
- (b) *Event of Default.* An "Event of Default" occurs or exists if (i) Debtor or any Third Party (A) fails to pay when due any of the Obligations requiring the payment of any amount or (B) fails to perform or comply with any of the Obligations (other than those requiring the payment of any amount) when or as required, (ii) there occurs or exists any default or event of default for purposes of or as defined in any agreement, instrument or other document evidencing, guaranteeing or securing any of the Obligations or evidencing any obligations owing by Debtor to any affiliate of Secured Party or any other Person, after giving effect to any applicable grace or cure period, (iii) any representation or warranty contained in this Agreement, in any financial statement delivered to Secured Party at any time by or on behalf of Debtor or any Third Party or in any agreement, instrument or other document evidencing, guaranteeing or securing any of the Obligations is incorrect or misleading in any material respect, (iv) Debtor transfers or disposes of any of the Collateral, except as expressly permitted by this Agreement, (v) Debtor is dissolved, ceases to exist, makes any bulk sale, becomes insolvent (however evidenced), generally fails to pay its debts as they become due, fails to pay, withhold or collect any tax as required by applicable law, suspends or ceases its present business or has entered, served, filed or recorded against it or any of its assets any judgment, lien, attachment, execution or levy, (vi) Debtor incurs any other indebtedness, (vii) Debtor or any Third Party has any receiver, trustee, custodian or similar Person appointed for it or any of its assets, makes any assignment for the benefit of creditors or commences or has commenced against it any case or other proceeding under any bankruptcy, insolvency or similar law, (viii) any Third Party who is an individual dies or becomes incompetent or (ix) Secured Party deems itself insecure with respect to the Obligations or is of the opinion that the Collateral is not or may not be sufficient or has decreased or may decrease in value.
- (c) *Intellectual Property.* "Intellectual Property" means all (I) Copyright Licenses, Copyrights, Patent Licenses, Patents, Trademark Licenses and Trademarks, each as defined below or as such term is otherwise used in the Uniform Commercial Code, and (II) other products of the intellect that have commercial value. For purposes of this Agreement:
 - (i) *Copyright License.* "Copyright License" means any agreement, whether in written or electronic form in which Debtor now holds or hereafter acquires any interest, granting any right in or to any Copyright or Copyright registration (whether Debtor is the licensee or licensor thereunder) including, without limitation, licenses pursuant to which Debtor has obtained the exclusive right to use a copyright owned by a third party;
 - (ii) *Copyrights.* "Copyrights" means all of the following now owned or hereafter acquired or created (as a work for hire for the benefit of Debtor) by Debtor or in which Debtor now holds or hereafter acquires or receives any right or interest, in whole or in part: (a) all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, any State thereof or any other country; (b) registrations, applications, recordings and proceedings in the United States Copyright Office or in any similar office or agency of the United States, any State thereof or any other country; (c) any continuations, renewals or extensions thereof; (d) any registrations to be used in any pending applications, and shall include any right or interest in and to work protectable by any of the foregoing which are presently or in the future owned, created or authorized (as a work for hire for the benefit of Debtor) or acquired by Debtor, in whole or in part; (e) prior versions of works covered by copyright and all works based upon, derived from or incorporating such works; (f) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to copyrights, including, without limitation, damages, claims and recoveries for past, present or future infringement; (g) rights to sue for past, present and future infringements of any copyright; and (h) any other rights corresponding to any of the foregoing rights throughout the world;
 - (iii) *Patent License.* "Patent License" means any agreement, whether in written or electronic form, in which Debtor now holds or hereafter acquires any interest, granting any right with respect to any invention on which a Patent is in existence (whether Debtor is the licensee or the licensor thereunder);
 - (iv) *Patents.* "Patents" means all of the following in which Debtor now holds or hereafter acquires any interest: (a) all letters patent of the United States or any other country, all registrations and recordings thereof and all applications for letters patent of the United States or any other country, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country; (b) all reissues, divisions, continuations, renewals, continuations-in-part or extensions thereof; (c) all petty patents, divisionals and patents of addition; (d) all patents to issue from any such applications; (e) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to patents, including, without limitation, damages, claims and recoveries for past, present or future infringement; and (f) rights to sue for past, present and future infringements of any patent;

- (v) *Trademark License*. "Trademark License" means any agreement, whether in written or electronic form, in which Debtor now holds or hereafter acquires any interest, granting any right in or to any Trademark or Trademark registration (whether Debtor is the licensee or the licensor thereunder); and
- (vi) *Trademarks*. "Trademarks" means any of the following in which Debtor now holds or hereafter acquires any interest: (a) any trademarks, tradenames, corporate names, company names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country (collectively, the "Marks"); (b) any reissues, extensions or renewals thereof; (c) the goodwill of the business symbolized by or associated with the Marks; (d) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to the Marks, including, without limitation, damages, claims and recoveries for past, present or future infringement; and (e) rights to sue for past, present and future infringements of the Marks.
- (d) *Obligations*. "Obligations" means all of Debtor's present and future monetary and other obligations to Secured Party, including all such obligations now existing or hereafter arising under (i) that certain Convertible Promissory Note, dated the date as of which this Agreement is dated, issued by Debtor to Secured Party in the original principal amount of \$200,000, or under any amendment, modification, extension, renewal or replacement of such Convertible Promissory Note, or (ii) this Agreement.
- (e) *Third Party*. "Third Party" means any guarantor or other Person now or hereafter liable for, or who or that owns or has any interest in any asset that now or hereafter secures, any of the Obligations.
- (f) *Permitted Lien*. "Permitted Lien" means any security interest or other lien consented to by Secured Party and completely and accurately described in subsection A of the Schedule.
- (g) *Person*. "Person" means (i) any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated association, government or political subdivision, (ii) any court, agency or other governmental body or (iii) any other entity, body, organization or group.
- (h) *Schedule*. "Schedule" means the Schedule attached to and made a part of this Agreement.
- (i) *UCC and UCC Terms*. "UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York. Any capitalized or other term defined or used in the UCC and not defined in this Agreement has the meaning given to such term in the UCC.

2. **Grant of Security Interest.** Debtor grants to Secured Party a continuing, absolute and unconditional security interest in the Collateral to secure the payment and performance of the Obligations.

3. **Certain Covenants and Rights Concerning the Collateral.**

- (a) *Inspection and Verification*. Secured Party may inspect any of the Collateral in Debtor's possession at any time during normal business hours, or at any other time upon reasonable notice. Secured Party may verify any of the Collateral not in Debtor's possession in any manner or through any medium, whether directly with any Person obligated with respect thereto or in the name of Debtor or otherwise.
- (b) *Taxes; Defense of Collateral*. Debtor will (i) before the end of any applicable grace period, pay each tax, assessment, fee and charge imposed at any time by any government or political subdivision upon any of the Collateral or the acquisition, ownership, possession, use, operation or sale or other disposition thereof and (ii) defend the Collateral against each demand, claim, counterclaim, setoff and defense asserted at any time by any Person.
- (c) *Obligations Relating to Collateral*.
 - (i) *Risk of Loss*. Debtor has the risk of loss of the Collateral.
 - (ii) *No Collection Obligation*. Secured Party has no duty to preserve any rights relating to the Collateral.
 - (iii) *No Assignment of Obligations*. This Agreement does not constitute any assignment by Debtor to Secured Party of any obligation of Debtor relating to any of the Collateral or otherwise and Debtor will at all times remain obligated to perform each such obligation.
- (d) *No Disposition of Collateral*. Secured Party does not authorize Debtor to, and Debtor will not: (i) make any sale, lease or other disposition of any of the Collateral, except for, if Secured Party has not otherwise instructed Debtor after the occurrence of any Event of Default, sales of Inventory in the ordinary course of Debtor's business, (ii) modify, compromise, cancel, subordinate or waive any right relating to any of the Collateral or (iii) grant any security interest in or other lien upon any of the Collateral except in favor of Secured Party or any Permitted Lien.
- (e) *Purchase Money Security Interest*. The security interest granted in this Agreement is a Purchase-Money Security Interest to the maximum extent provided for under the UCC. To the extent the Obligations are used by Debtor to purchase any of the Collateral, Debtor's repayment of the Obligations will apply on a "first-in-first-out" basis so that the portion of the Obligations used to purchase a particular item of the Collateral will be paid in the chronological order Debtor purchased the Collateral. Secured Party may notify any other Person of its claim to a Purchase-Money Security Interest or other security interest covering any of the Collateral.

- (f) *Third Party Waivers.* If any of the Collateral is at any time located on premises leased by Debtor, Debtor will, upon any request by Secured Party, obtain and deliver to Secured Party a waiver executed by the landlord, in form and substance satisfactory to Secured Party.
- (g) *Debtor's Other Covenants.* Debtor (i) will preserve its existence and not, in one transaction or a series of related transactions, participate in any merger, consolidation or similar transaction, or sell or otherwise transfer all or substantially all of its assets, (ii) will not change the state of its incorporation or organization, (iii) will not change the location of any of the Collateral, (iv) will not change its legal name or business structure, (v) will conduct its business and use and maintain the Collateral in compliance with this Agreement and all applicable laws, (vi) will maintain all-risk property insurance covering the Collateral reasonably satisfactory to Secured Party, naming Secured Party as lender's loss payee or the equivalent and entitling Secured Party to at least 30 days' prior written notice of policy cancellation or non-renewal, and provide evidence of such insurance to Secured Party, (vii) will immediately notify Secured Party of (A) any loss, theft or destruction of or damage to, or any demand, claim, counterclaim, setoff or defense affecting, any of the Collateral, (B) any change regarding any information contained in the Schedule and (C) the occurrence or existence of any Event of Default, (viii) will, no later than ten days following the execution and delivery to Secured Party of this Agreement, cause to be executed and delivered to Secured Party, in form and substance satisfactory to Secured Party, a Software Beneficiary Registration Form (Escrow Form 2.1) relating to Multi-Beneficiary Software Escrow Agreement No. 6693, dated as of May 15, 2006, between Castel, Inc. and National Software, Inc. (as amended from time to time, the "Software Escrow Agreement"), (viii) will immediately cause all Source Code (as such term is defined or used in the Software Escrow Agreement) in which Debtor now or hereafter has any right, title or interest to be deposited under and become subject to the Software Escrow Agreement in accordance with the terms thereof and (ix) will immediately advise Secured Party of any Commercial Tort Claim hereafter arising in which Debtor is a claimant.

4. Debtor's Representations and Warranties. Debtor represents and warrants that:

- (a) *Authority.* The execution, delivery to Secured Party and performance of this Agreement by Debtor (i) do not and will not violate applicable law, any judgment or order of any court, agency or other governmental body by which Debtor is bound or, if Debtor is not an individual, any certificate or articles of incorporation or organization, by-laws, operating or partnership agreement or other charter, organizational or other governing document of Debtor or any resolution or other action of record of any shareholders, directors, members, managers or partners of Debtor, (ii) do not and will not violate or constitute any default under any agreement, instrument or other document by which Debtor is bound, (iii) if Debtor is not an individual, are and will be in furtherance of the purposes and within the power and authority of Debtor and (iv) do not and will not require any authorization of, notice to or other act by or relating to any Person (including, but not limited to, if Debtor is not an individual, any shareholder, director, member, manager or partner of Debtor) that has not been duly obtained, given or done and is not in full force and effect.
- (b) *Certain Debtor Information.*
 - (i) The mailing address of Debtor's chief executive (principal business) office is the address identified in subsection B of the Schedule,
 - (ii) The type of Debtor's business structure is identified in subsection B of the Schedule,
 - (iii) Debtor's state of incorporation or organization is the state identified in subsection B of the Schedule ("Debtor's Organization State"),
 - (iv) Debtor's Federal Employer Identification Number (FEIN) and facsimile number are identified in subsection B of the Schedule and
 - (v) Debtor's exact legal name is as set forth in the first paragraph of this Agreement, and any prior legal name used by Debtor within the last year is identified in subsection B of the Schedule.
- (c) *Title to and Transfer of Collateral.* Debtor has rights in and the power to transfer the Collateral and its title to the Collateral is free of all adverse claims, liens, security interests and restrictions on transfer or pledge except as created or permitted by, or provided for in, this Agreement.
- (d) *Location of Collateral.* All Goods included in the Collateral are and will be maintained solely at the location or locations listed in the Schedule and the information contained in subsection C of the Schedule with respect to each such location is complete and accurate.
- (e) *Information as to Registered Intellectual Property, Domain Names and Software Source Code.*
 - (i) Subsection D of the Schedule contains a complete and accurate description of all Patents applied for by or awarded to Debtor in the United States,
 - (ii) Subsection E of the Schedule contains a complete and accurate description of all Trademarks applied for by or awarded to Debtor in the United States,
 - (iii) Subsection F of the Schedule contains a complete and accurate description of all Patents applied for by or awarded to Debtor in the Canada,
 - (iv) Subsection G of the Schedule contains a complete and accurate description of all Patents applied for by or awarded to Debtor in the United Kingdom and
 - (v) Subsection H of the Schedule contains a complete and accurate description of all Domain Names owned by Debtor.

(vi) All Source Code (as such term is defined or used in the Software Escrow Agreement) in which Debtor now has any right, title or interest has been deposited under and has become subject to the Software Escrow Agreement in accordance with the terms thereof.

(f) *Business Purpose.* Any existing Obligations have been and any future Obligations will be incurred solely for business or commercial purposes.

(g) *Commercial Tort Claims.* Debtor is not now a claimant in connection with any Commercial Tort Claim except as otherwise fully and accurately described in the Schedule.

5. **Costs.** Debtor will pay to Secured Party on demand, and indemnify Secured Party on demand for, all costs incurred at any time by Secured Party in endeavoring to enforce any of its rights or remedies or any of Debtor's obligations hereunder, including (a) costs relating to the perfection or protection of the security interest granted herein or to the payment or performance by Secured Party, at its sole option, of any of Debtor's obligations hereunder that Debtor fails to timely pay or perform, (b) costs of foreclosure and other enforcement actions, (c) costs of obtaining money damages or other relief and (d) the reasonable fees and disbursements of attorneys employed by Secured Party for any purpose related to this Agreement or the Obligations, including consultation, drafting documents, sending notices or instituting, prosecuting or defending litigation or other enforcement actions. After any demand for the payment of, or indemnification for, any cost, Debtor will pay interest on the portion of the cost remaining unpaid at an annual rate equal to the highest rate permitted by applicable law.

6. **Remedies Upon Default.**

(a) *General.* Upon or after the occurrence of any Event of Default, Secured Party may pursue any right or remedy available at law (including those available under the provisions of the UCC) or in equity to collect, enforce or satisfy any of the Obligations then owing, whether by acceleration or otherwise, or then otherwise outstanding. If any Event of Default described in clauses (v), (vi) or (vii) of Section 1(b) hereof occurs, all of the Obligations then remaining unpaid will automatically become immediately due.

(b) *Concurrent Remedies.* Without limiting the generality of Section 6(a) hereof, upon or after the occurrence of any Event of Default, Secured Party has the right to pursue any of the following remedies separately, successively or concurrently: (i) to declare all or any portion of the Obligations remaining unpaid to be immediately due, (ii) to file suit and obtain judgment and, in conjunction with any action, Secured Party may seek any ancillary remedies available under applicable law, including levy of attachment and garnishment, (iii) to enforce Debtor's rights against Account Debtors and Obligors and to instruct such Persons to pay all amounts owing by them directly to Secured Party, (iv) to take possession of any of the Collateral if not already in its possession without demand and without legal process, and Debtor grants to Secured Party the right, for this purpose, to enter into or on any premises where any of the Collateral may be located and, upon Secured Party's demand, Debtor will assemble and make the Collateral available to Secured Party as it directs, and (v) with or without taking possession, to sell, lease or otherwise dispose of any of the Collateral at public or private sale in accordance with the UCC.

(c) *Power of Attorney.* Debtor irrevocably and unconditionally appoints Secured Party as the attorney-in-fact of Debtor, with full power of substitution and revocation, to take, at the sole option of Secured Party, in the name and on behalf of Debtor or otherwise, upon or after the occurrence of any Event of Default, each action relating to any of the Collateral that Debtor could take. The power of attorney given pursuant to the preceding sentence is coupled with an interest in favor of Secured Party and, if Debtor is an individual, will not be terminated or otherwise affected by the death, disability or incompetence of Debtor.

7. **General.**

(a) *Cumulative Effect.* All rights and remedies of Secured Party under this Agreement are cumulative and no such right or remedy is exclusive of any other such right or remedy. This Agreement does not modify or terminate any other agreement, instrument or other document binding upon Debtor or any Third Party or other Person in favor of Secured Party.

(b) *Filing of Financing Statements.* Debtor authorizes Secured Party to file one or more financing statements describing the Collateral in any jurisdiction deemed necessary or desirable by Secured Party at its sole option, and, without limiting the foregoing, authorizes Secured Party to use terms such as "All assets" or "All personal property and fixtures" to describe the Collateral.

(c) *Notices.* Any notice required by or given under this Agreement is to be in writing and will be deemed to be delivered when (i) deposited in any United States postal box, if postage is prepaid and the notice is properly addressed to the intended recipient, (ii) received by telecopy, (iii) received by overnight courier or (iv) personally delivered. The proper address for delivery of notices is the address of Secured Party or Debtor set forth at the beginning of this Agreement or, in the case of Debtor, in subsection B(i) of the Schedule. However, Debtor or Secured Party may give a notice to the other (in accordance with this Section 7(c)) of a new address to which notices under this Agreement are to be given. Each requirement under applicable law of reasonable notice of any event by Secured Party to Debtor will be deemed to have been met if the notice is given at least 10 days before the date on or after which the event is to occur.

(d) *No Assignments by Debtor.* Secured Party does not consent to any assignment by Debtor of, and Debtor will not assign, any of Debtor's rights, interests or obligations under this Agreement or in respect of the Obligations. Any such purported assignment will be void.

(e) *Secured Party Assignments.* Secured Party may assign any of its rights, interests and obligations under this Agreement or in respect of the Obligations. If an assignment is made, Debtor will render performance as required to the assignee. Debtor waives, and will not assert against any assignee, any claim, defense or setoff that Debtor could assert against Secured Party except defenses that cannot be waived.

- (f) *Severability.* If any provision of this Agreement is found to be void, invalid or unenforceable by a court of competent jurisdiction, that finding will only affect the provisions found to be void, invalid or unenforceable and will not affect the remaining provisions of this Agreement.
- (g) *Binding Effect.* This Agreement binds Debtor, all other Persons who or that become bound as a debtor hereto and the legal representatives, successors and assignees of Debtor and all other such Persons and inures to the benefit of and is enforceable by Secured Party and the legal representatives, successors and assignees of Secured Party.
- (h) *Headings.* Section headings used in this Agreement are for convenience only. They are not a part of this Agreement and will not be used in construing it.
- (i) *Governing Law.* This Agreement is governed by, and will be construed, interpreted and enforced in accordance with, the laws of the State of New York (including Sections 5-1401 and 5-1402 of the General Obligations Law), without regard to principles of conflict of laws, except to the extent that the UCC requires the application of the law of the Debtor's Organization State or of any other jurisdiction.
- (j) *Rules of Construction.* In this Agreement, (i) no reference to "Proceeds" authorizes any sale, transfer or other disposition of the Collateral by Debtor except as otherwise provided herein, (ii) "includes" and "including" are not limiting, (iii) "or" is not exclusive, (iv) "all" includes "any" and "any" includes "all," (v) any gender includes any other gender, as the context may require, and (vi) the terms "hereby," "hereof," "herein," "hereunder" and similar terms refer to this Agreement and not to any particular provision of it.
- (k) *Integration and Modifications.* This Agreement is the entire agreement of Debtor and Secured Party concerning its subject matter. Any modification to this Agreement must be made in writing and signed by Debtor and Secured Party.
- (l) *Termination.* This Agreement will remain in full force and effect until and will terminate only upon (i) the final and indefeasible payment and performance in full of the Obligations and (ii) there no longer being in force or effect any loan, supply or other agreement or arrangement, any promissory note or other instrument or any credit commitment or other financial accommodation under which any of the Obligations have arisen or may arise.
- (m) *Further Assurances.* Debtor agrees to execute any further documents, and to take any further actions, reasonably requested by Secured Party to evidence, perfect or protect the security interest granted herein or to otherwise effectuate any of the rights or remedies granted to Secured Party hereby, including upon request of Secured Party causing any Source Code (as such term is defined or used in the Software Escrow Agreement) in which Debtor now or hereafter has any right, title or interest to be released to Secured Party as a beneficiary under the Software Escrow Agreement notwithstanding whether any "release condition" under the Software Escrow Agreement shall have otherwise taken effect.
- (n) **CONSENT TO JURISDICTION. DEBTOR CONSENTS IN EACH ACTION OR OTHER LEGAL PROCEEDING COMMENCED BY SECURED PARTY ARISING OUT OF OR OTHERWISE RELATING TO THIS AGREEMENT, THE OBLIGATIONS OR THE COLLATERAL TO THE NONEXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN ERIE COUNTY OF THE STATE OF NEW YORK, WAIVES PERSONAL SERVICE OF PROCESS AND AGREES THAT SERVICE OF PROCESS MAY BE EFFECTED BY SECURED PARTY BY REGISTERED MAIL TO DEBTOR AT THE ADDRESS SET FORTH AT THE BEGINNING OF THIS AGREEMENT (OR SUCH OTHER ADDRESS AS TO WHICH DEBTOR HAS GIVEN SECURED PARTY NOTICE IN ACCORDANCE WITH SECTION 7(c) HEREOF) OR IN ANY MANNER ALLOWED BY THE STATE OF NEW YORK OR THE FEDERAL LAWS OF THE UNITED STATES. DEBTOR WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUCH ACTION OR OTHER LEGAL PROCEEDING.**
- (o) **WAIVER OF TRIAL BY JURY. DEBTOR WAIVES EACH RIGHT DEBTOR MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION OR OTHER LEGAL PROCEEDING, WHETHER BASED ON ANY CONTRACT OR NEGLIGENCE, INTENTIONAL OR OTHER TORT OR OTHERWISE, ARISING OUT OF OR OTHERWISE RELATING TO THIS AGREEMENT, THE OBLIGATIONS OR THE COLLATERAL.**

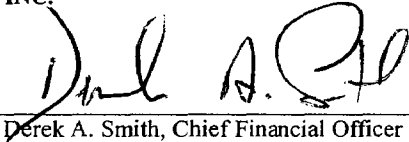
[Remainder of Page Intentionally Left Blank -- Signature Follows on Next Page]

Signature Page for General Security Agreement (Including Intellectual Property)

IN WITNESS WHEREOF, Debtor has caused this Agreement to be executed by its duly authorized representative and delivered to Secured Party as of the date and year first above written.

Debtor's Exact Legal Name:

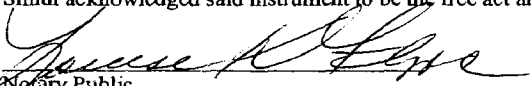
CASTEL, INC.

By: 
Derek A. Smith, Chief Financial Officer

State of Massachusetts

County of Essex

On this 23rd day of April, 2007, before me appeared Derek A. Smith to me personally known, who, being by me duly sworn (or affirmed), did say that he is the Chief Financial Officer of Castel, Inc. and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said Derek A. Smith acknowledged said instrument to be the free act and deed of said corporation.


Notary Public

Print Name: _____
LOUISE K. FLYNN, Notary Public
My Commission Expires October 8, 2010

SCHEDULE TO GENERAL SECURITY AGREEMENT (INCLUDING INTELLECTUAL PROPERTY)

A. Section 1(e) Permitted Liens:

Those security interests and liens permitted under Section 4(b) of the Loan Agreement, dated as of the date as of which this Agreement is dated, between Debtor and Secured Party.

B. Section 4(b) Certain Debtor Information (COMPLETE THE FOLLOWING INFORMATION CONCERNING DEBTOR):

(i) Mailing address of Debtor's chief executive (principal business) office:

100 Cummings Center, Suite 152F, Beverly, Massachusetts 01915

(ii) Type of Debtor's business structure (CHECK APPLICABLE BOX):

- | | |
|--|---|
| <input checked="" type="checkbox"/> Corporation | <input type="checkbox"/> General Partnership |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Individual (Sole proprietorship) |
| <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> Other as indicated: _____ |

(iii) Debtor's state of incorporation or organization: Delaware

(iv) Debtor's Federal Employer Identification Number (FEIN: 04-3552762

Debtor's facsimile number (with area code): (978) 236-1197

(v) List each prior legal name used by Debtor within the last year: None

C. Section 4(d) Location(s) of Collateral (COMPLETE THE FOLLOWING INFORMATION FOR EACH LOCATION OF ANY OF DEBTOR'S INVENTORY OR EQUIPMENT):

ADDRESS OF LOCATION	TYPE OF LOCATION (CHECK APPLICABLE BOX)	NAME AND ADDRESS OF LANDLORD, IF LEASED LOCATION	APPROX. LENGTH OF TIME AT LOCATION
I. SAME AS OFFICE ADDRESS IN B(i) ABOVE.	<input type="checkbox"/> Debtor owned <input checked="" type="checkbox"/> Debtor leased	Cummings Properties, LLC 100 Cummings Center Beverly, MA 01915	5 Years

D. United States Patents and Patent Applications--Section 4(e)(i)

U.S. Patent Application No: 10/637925 - Call Center Management Systems filed on August 8, 2003

E. United States Trademark and Trademark Applications--Section 4(e)(ii)

Service Mark Registration No: 3,130,306 - Castel Connects - registration date August 15, 2006 (International Class 42)

Service Mark Registration No: 2,990,162 - Castel Connects - registration date August 30, 2005 (International Class 9)

Service Mark Registration No: 2,531,125 - C (AND DESIGN) - registration date January 22, 2002 (International Class 42)

F. Canadian Patents and Patent Applications--Section 4(e)(iii)

Canada Patent Application No: 2,511,006 - A Call Center Management Systems filed on November 26, 2003

G. United Kingdom Patents and Patent Applications--Section 4(e)(iv)

United Kingdom Patent No. 2413033 - A Call Center Management Systems issued on May 31, 2006 with a life of twenty years from November 26, 2003

H. Domain Names Owned by Debtor--Section 4(e)(v)

www.castel.com

www.castelhq.com

www.cashq.com

I. Commercial Tort Claims--Section 4(g)

None