

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Videology, Inc.		05/10/2013	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	Ferlin Investments II, LLC		
Street Address:	P.O. Box 1567		
City:	Stony Brook		
State/Country:	NEW YORK		
Postal Code:	11790		
Entity Type:	LIMITED LIABILITY COMPANY: FLORIDA		
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Registration Number:	3803713	TIDALTV	
Registration Number:	4112567	VIDEOLOGY	
Registration Number:	4229450		
CORRESPONDENCE DATA			
Fax Number:	4432634108		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	4102307108		
Email:	trademarks@ober.com		
Correspondent Name:	E. Scott Johnson, Esq.		
Address Line 1:	100 Light Street		
Address Line 2:	Ober, Kaler, Grimes & Shriver, A P.C.		
Address Line 4:	Baltimore, MARYLAND 21202		
ATTORNEY DOCKET NUMBER:	034043.092864 DKP		
NAME OF SUBMITTER:	E. Scott Johnson		

CH \$90.00 3803713

Signature:	/E. Scott Johnson/
Date:	05/22/2013
<p>Total Attachments: 25</p> <p>source=Videology Ferlin Security Agreement#page1.tif source=Videology Ferlin Security Agreement#page2.tif source=Videology Ferlin Security Agreement#page3.tif source=Videology Ferlin Security Agreement#page4.tif source=Videology Ferlin Security Agreement#page5.tif source=Videology Ferlin Security Agreement#page6.tif source=Videology Ferlin Security Agreement#page7.tif source=Videology Ferlin Security Agreement#page8.tif source=Videology Ferlin Security Agreement#page9.tif source=Videology Ferlin Security Agreement#page10.tif source=Videology Ferlin Security Agreement#page11.tif source=Videology Ferlin Security Agreement#page12.tif source=Videology Ferlin Security Agreement#page13.tif source=Videology Ferlin Security Agreement#page14.tif source=Videology Ferlin Security Agreement#page15.tif source=Videology Ferlin Security Agreement#page16.tif source=Videology Ferlin Security Agreement#page17.tif source=Videology Ferlin Security Agreement#page18.tif source=Videology Ferlin Security Agreement#page19.tif source=Videology Ferlin Security Agreement#page20.tif source=Videology Ferlin Security Agreement#page21.tif source=Videology Ferlin Security Agreement#page22.tif source=Videology Ferlin Security Agreement#page23.tif source=Videology Ferlin Security Agreement#page24.tif source=Videology Ferlin Security Agreement#page25.tif</p>	

THE SECURED PARTY (AS DEFINED BELOW) ACKNOWLEDGES THAT THE COMPANY (AS DEFINED BELOW) IS A PARTY TO (I) THAT CERTAIN LOAN AND SECURITY AGREEMENT DATED AS OF APRIL 24, 2012, BETWEEN SILICON VALLEY BANK ("SVB"), THE COMPANY AND VIDEOLOGY, LTD., AS AMENDED BY THAT CERTAIN FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT, DATED AS OF OCTOBER 26, 2012, AS FURTHER AMENDED BY THAT CERTAIN SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT, DATED AS OF DECEMBER 17, 2012 AND AS FURTHER AMENDED BY THAT CERTAIN WAIVER AND THIRD AMENDMENT TO LOAN AND SECURITY AGREEMENT, DATED AS OF APRIL 2, 2013 (THE "SVB AGREEMENT"), AND (II) THAT CERTAIN LOAN AND SECURITY AGREEMENT DATED AS OF DECEMBER 20, 2012, BY AND AMONG THE COMPANY AND PINNACLE VENTURES, L.L.C. AS AGENT FOR THE LENDERS IDENTIFIED ON SCHEDULE 1 THERETO (COLLECTIVELY, "PINNACLE"), AS AMENDED BY THAT CERTAIN WAIVER AND AMENDMENT TO LOAN AND SECURITY AGREEMENT, DATED AS OF APRIL 19, 2013 (THE "PINNACLE AGREEMENT"). NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, THE COMPANY SHALL NOT BE REQUIRED TO TAKE ANY ACTION PURSUANT TO THIS AGREEMENT IF THE TAKING OF SUCH ACTION WOULD RESULT IN A DEFAULT OR EVENT OF DEFAULT UNDER THE SVB AGREEMENT OR THE PINNACLE AGREEMENT; PROVIDED, HOWEVER, THAT NOTHING CONTAINED IN THIS SENTENCE SHALL LIMIT ANY RIGHTS OF SECURED PARTY PURSUANT TO SECTION 2.01 OF THIS AGREEMENT.

SECURITY AGREEMENT

SECURITY AGREEMENT (this "Agreement"), dated as of May 10, 2013, by and between VIDEOLOGY, INC., a Delaware corporation (the "Company") and FERLIN INVESTMENTS II, LLC, a Florida limited liability company (the "Secured Party").

WHEREAS, the Secured Party has agreed to make available to the Company a drawdown loan in the principal amount not to exceed \$7,000,000 (the "Loan").

WHEREAS, the Company's obligation to repay the Loan together with interest thereon, is evidenced by the Company's Drawdown Promissory Note dated the date hereof in the original principal amount of \$7,000,000, made payable to the order of the Secured Party (as the same may from time to time be amended, restated, supplemented, substituted, or otherwise modified, the "Note").

WHEREAS, the Company has agreed to grant to the Secured Party a continuing security interest in and to the Collateral (as hereinafter defined) to secure the payment and performance of the Obligations (as hereinafter defined).

WHEREAS, it is a condition to the Secured Party extending the Loan that the Company grant to the Secured Party a continuing security interest in and to the Collateral (as hereinafter defined) to secure the payment and performance of the Obligations (as hereinafter defined).

NOW THEREFORE, in consideration of these premises and in order to induce the Secured Party to extend the Loan, the Company and the Secured Party hereby agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Definition of Terms Used Herein. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Note. All terms defined in the Delaware UCC (as defined herein) and not defined in this Agreement shall have the meanings specified therein; the term "instrument" shall have the meaning specified in Article 9 of the Delaware UCC.

SECTION 1.02. Definition of Certain Terms Used Herein. As used herein, the following terms shall have the following meanings:

"Account Debtor" shall mean any Person who is or who may become obligated to the Company under, with respect, to or on account of, an Account.

"Collateral" shall mean all right, title or interest now owned or at anytime hereafter acquired by the Company or in which the Company now has or at any time in the future may acquire any right, title or interest in all (a) Accounts, (b) Chattel Paper, (c) Commercial Tort Claims, (d) Deposit Accounts, (e) Documents, (f) Electronic Chattel Paper, (g) Equipment, (h) General Intangibles, (i) Instruments, (j) Inventory, (k) Investment Property, (l) Letter-of-Credit Rights, (m) Supporting Obligations, (n) all books and records pertaining to the foregoing and (o) to the extent not otherwise included, all Proceeds and products of any of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

"Copyright License" shall mean any written agreement, now or hereafter in effect, granting any right to any third party under any Copyright now or hereafter owned by the Company or which the Company otherwise has the right to license, or granting any right to the Company under any Copyright now or hereafter owned by any third party, and all rights of the Company under any such agreement.

"Copyrights" shall mean all of the following now owned or hereafter acquired by the Company: (a) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise and (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office, including those listed on Schedule I.

"Delaware UCC" shall mean the Uniform Commercial Code as from time to time in effect in the State of Delaware.

"Documents" shall mean all instruments, files, records, ledger sheets and documents covering or relating to any of the Collateral.

"Event of Default" shall have the meaning ascribed to such term in the Note.

"General Intangibles" shall mean all choses in action and causes of action and all other assignable intangible personal property of the Company of every kind and nature (other than Accounts) now owned or hereafter acquired by the Company, including interests in any trust, corporate or other business records, contract rights, indemnification claims, Intellectual Property, goodwill, registrations, franchises, tax refund claims and any letter of credit, guarantee, claim, security interest or other security held by or granted to the Company to secure payment by an Account Debtor of any of the Accounts.

"Intellectual Property" shall mean all intellectual and similar property of the Company of every kind and nature now owned or hereafter acquired by the Company, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, trade secrets, confidential or proprietary technical and business information, know-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

"License" shall mean any Patent License, Trademark License, Copyright License or other license or sublicense to which the Company is a party.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Obligations" means all past, present and future indebtedness, liabilities, and obligations of the Company to the Secured Party of any kind, nature or description whatsoever under, arising as a result of, pursuant to, and/or in connection with, the provisions of this Agreement or the Note.

"Patent License" shall mean any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a Patent, now or hereafter owned by the Company or which the Company otherwise has the right to license, is in existence, or granting to the Company any right to make, use or sell any invention on which a Patent, now or hereafter owned by any third party, is in existence, and all rights of the Company under any such agreement.

"Patents" shall mean all of the following now owned or hereafter acquired by the Company: (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 registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar offices in any other country, including those listed on Schedule II and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

"Perfection Certificate" shall mean a certificate substantially in the form of Annex 1 hereto, completed and supplemented with the schedules and attachments contemplated thereby, and duly executed by an officer of the Company.

"Permitted Liens" shall mean:

(a) Liens existing on the date of this Agreement and shown on the Perfection Certificate or arising under this Agreement;

(b) Liens in favor of SVB under the SVB Agreement;

(c) Liens in favor of Pinnacle under the Pinnacle Agreement;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which the Company maintains adequate reserves on its books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder;

(c) purchase money Liens or capital leases (i) on Equipment acquired or held by the Company incurred for financing the acquisition of the Equipment securing no more than One Hundred Thousand Dollars (\$100,000) in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(d) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) through (c), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase;

(e) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed One Hundred Thousand Dollars (\$100,000) and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(f) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(g) leases or subleases of real property granted in the ordinary course of the Company's business (or, if referring to another Person, in the ordinary course of such Person's business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of the Company's business (or, if referring to another Person, in the ordinary course of such Person's business), if the leases, subleases, licenses and sublicenses do not prohibit granting the Secured Party a security interest therein;

(h) non-exclusive license of Intellectual Property granted to third parties in the ordinary course of business;

(i) Liens permitted under the SVB Agreement pursuant to clause (i) of the definition of Permitted Liens in the SVB Agreement, as in effect on the date of this Agreement;

(j) Liens permitted under the Pinnacle Agreement pursuant to clauses (i) and (ii) of the definition of Permitted Liens in the Pinnacle Agreement, as in effect on the date of this Agreement; and

(k) Liens in favor of other financial institutions arising in connection with the Company deposit and/or securities accounts held at such institutions.

"Person" shall mean and include an individual, a corporation, a limited liability company, a partnership, a joint venture, a trust, an estate, an unincorporated association, a governmental authority or any other entity.

"Pinnacle" has the meaning set forth in the definition of Pinnacle Agreement.

"Pinnacle Agreement" means that certain Loan and Security Agreement dated as of December 20, 2012, by and among the Company and Pinnacle Ventures, L.L.C., as Agent for the Lender identified on Schedule 1 thereto (collectively, "Pinnacle"), as amended by that certain Waiver and Amendment to Loan and Security Agreement, dated as of April 19, 2013 (as may be further amended, modified, restated, replaced or supplemented from time to time).

"Pinnacle Subordination Agreement" means that certain Subordination Agreement dated as of May 10, 2013, by between Pinnacle and the Secured Party, and acknowledged by the Company, as the same may be amended from time to time.

"SVB" means Silicon Valley Bank.

"SVB Agreement" means that certain Loan and Security Agreement dated as of April 24, 2012, between SVB, the Company and Videology, Ltd., as amended by that certain First Amendment to Loan and Security Agreement, dated as of October 26, 2012, as further amended by that certain Second Amendment to Loan and Security Agreement, dated as of December 17, 2012 and as further amended by that certain Waiver and Third Amendment to Loan and Security Agreement, dated as of April 2, 2013 (as may be amended, modified, restated, replaced or supplemented from time to time).

“SVB Subordination Agreement” means that certain Subordination Agreement dated as of May 10, 2013, by and between SVB and the Secured Party, and acknowledged by the Company and Videology, Ltd., as the same may be amended from time to time.

“Subordination Agreements” means, collectively, the Pinnacle Subordination Agreement and the SVB Subordination Agreement.

“Trademark License” shall mean any written agreement, now or hereafter in effect, granting to any third party any right to use any Trademark now or hereafter owned by the Company or which the Company otherwise has the right to license, or granting to the Company any right to use any Trademark now or hereafter owned by any third party, and all rights of the Company under any such agreement.

“Trademarks” shall mean all of the following now owned or hereafter acquired by the Company: (a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office, any State of the United States or any similar offices in any other country or any political subdivision thereof, and all extensions or renewals thereof, including those listed on Schedule III, (b) all goodwill associated therewith or symbolized thereby and (c) all other assets, rights and interests that uniquely reflect or embody such goodwill.

“Transaction Documents” means this Agreement and the Note, as each may be amended or supplemented from time to time.

ARTICLE II

Security Interest

SECTION 2.01. Security Interest. As security for the payment and performance in full of the Obligations, the Company hereby grants, mortgages, pledges, hypothecates and transfers to the Secured Party, its successors and assigns, and hereby grants to the Secured Party, its successors and assigns, a continuing security interest in all of the Company's right, title and interest now owned or at any time hereafter acquired by the Company or in which the Company now has or any time in the future may acquire any right, title or interest, in, to or under the Collateral (the “Security Interest”). The Company hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any relevant jurisdiction any initial financing statements (including fixture filings), and amendments thereto that contain the information required by the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment (without the signature of the Company), including (a) whether the Company is an organization, the type of organization and any organizational identification number issued to the Company and (b) in the case of a financing statement filed as a fixture filing or covering Collateral constituting minerals or the like to be extracted or timber to be cut, a sufficient description of the real property to which such Collateral relates. The Company agrees to provide such information to the Secured Party promptly upon request. The Company ratifies and authorizes the filing by the Secured Party of any financing statement filed prior to the date hereof. Any Person (other than the Secured Party) at any time and from time to time holding all or any portion of the Collateral shall be deemed to, and shall, hold the Collateral as the agent of, and as pledge holder for, the Secured Party. At any time and from time to time, the Secured Party may give notice to any such Person holding all or any portion of the Collateral that such Person is holding the Collateral as the agent and bailee of, and as pledge holder for, the Secured Party, and obtain such Person's written acknowledgment thereof. Without limiting the generality of the foregoing, the Company will join with the Secured Party in notifying any Person who has possession of any Collateral of the Secured Party's security interest therein and obtaining an acknowledgment from such Person that it is holding the Collateral for the benefit of the Secured Party.

The Secured Party is further authorized to file filings with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country) or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by the Company, without the signature of the Company, and naming the Company as debtor and the Secured Party as secured party.

SECTION 2.02. No Assumption of Liability. The Security Interest is granted as security only and shall not subject the Secured Party to, or in any way alter or modify, any obligation or liability of the Company with respect to or arising out of the Collateral. In no event shall the Secured Party be deemed a trustee or become liable as a trustee as a result of the grant of the Security Interest in any interest in any trust.

ARTICLE III

Representations and Warranties

The Company represents and warrants to the Secured Party that:

SECTION 3.01. Title and Authority. The Company has good and valid rights in, and title to, the Collateral with respect to which it has purported to grant a Security Interest hereunder. The Company has full power and authority to grant to the Secured Party the Security Interest in such Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person, other than any consent or approval which has been obtained. Notwithstanding the foregoing, the consent and approval of SVB and Pinnacle are required for the Company to execute, deliver and perform its obligations in accordance with the terms of this Agreement. SVB has only consented to such performance to the extent provided in the SVB Subordination Agreement, and Pinnacle has only consented to such performance to the extent provided in the Pinnacle Subordination Agreement.

SECTION 3.02. Filings. (a) A Perfection Certificate has been duly prepared, completed and executed by the Company and the information set forth therein, including the exact legal name of the Company, is correct and complete. Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations containing a description of the Collateral have been delivered to the Secured Party. for filing in each governmental, municipal or other office specified in the Perfection Certificate, which are all the filings, recordings and registrations that are necessary to publish notice of and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Secured Party in respect of all Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refile, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements or amendments.

(b) The Company represents and warrants that fully executed security agreements in the form hereof and containing a description of all Collateral consisting of Intellectual Property with respect to United States Patents and United States registered Trademarks (and Trademarks for which United States registration applications are pending) and United States registered Copyrights have been delivered to the Secured Party for recording by the United States Patent and Trademark Office and the United States Copyright Office pursuant to 35 U.S.C. Section 261, 15 U.S.C. Section 1060 or 17 U.S.C. Section 205 and the regulations thereunder, as applicable, and otherwise as may be required pursuant to the laws of any other necessary jurisdiction, to protect the validity of and to establish a legal, valid and perfected security interest in favor of the Secured Party in respect of all Collateral consisting of Patents, Trademarks and United States registered Copyrights in which a security interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, or in any other necessary jurisdiction, and no further or subsequent filing, refile,

recording, rerecording, registration or reregistration is necessary (other than the financing statements referred to above in Section 3.02(a) and such actions as are necessary to perfect the Security Interest with respect to any Collateral consisting of Patents, Trademarks and Copyrights (or registration or application for registration thereof) acquired or developed after the date hereof). Notwithstanding anything to the contrary contained herein, the Company makes no representations, warranties or covenants with respect to non-U.S. Patents, Trademarks or Copyrights.

SECTION 3.03. Validity of Security Interest. The Security Interest constitutes (a) a legal and valid security interest in all the Collateral securing the payment and performance of the Obligations, (b) a perfected security interest in all Collateral in which a security interest may be perfected by filing, recording or registering a financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the Uniform Commercial Code or other applicable law in such jurisdictions and (c) a security interest that shall be perfected in all Collateral in which a security interest may be perfected upon the receipt and recording of this Agreement with the United States Patent and Trademark Office and the United States Copyright Office, as applicable, within the three month period (commencing as of the date hereof) pursuant to 35 U.S.C. Section 261, 15 U.S.C. Section 1060 or 17 U.S.C. Section 205 and otherwise as may be required pursuant to the laws of any other necessary jurisdiction. The Security Interest is and shall be prior to any other Lien on any of the Collateral (now held or hereafter acquired).

SECTION 3.04. Absence of Other Liens. The Collateral is owned by the Company free and clear of any Lien except for Permitted Liens. Except with to Permitted Liens, the Company has not filed or consented to the filing of (a) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any Collateral, (b) any assignment in which the Company assigns any Collateral or any security agreement or similar instrument covering any Collateral with the United States Patent and Trademark Office or the United States Copyright Office or (c) any assignment in which the Company assigns any Collateral or any security agreement or similar instrument covering any Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect. The Company does not hold any Commercial Tort Claim or Letter-of-Credit Right. No Person has control (as defined in the Delaware UCC) over the Company's Deposit Accounts, Electronic Chattel Paper, Investment Property or Letter-of-Credit Rights.

ARTICLE IV

Covenants

SECTION 4.01. Change of Name; Location of Collateral; Records; Place of Business. (a) The Company agrees promptly to notify the Secured Party in writing of any change (i) in its corporate name, (ii) in the location of its chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility) other than with respect to Collateral (A) consisting of goods in transit between facilities, whether in vehicles owned by the Company or on common carriers, (B) located in temporary warehousing which will remain in such warehousing for no longer than one month, (C) consisting of moveable equipment (such as laptop computers) with de minimus value that may be temporarily located with employees, (D) in new offices containing less than \$15,000 in Company's assets or property, and (E) with bailees with respect to Collateral valued at less than \$25,000 individually or in the aggregate, (iii) in its identity or type of organization or legal structure, (iv) in its Federal Taxpayer Identification Number or organizational identification number, as applicable or (v) in its jurisdiction of organization. The Company agrees promptly to provide the Secured Party with certified organizational documents reflecting any of the changes described in the preceding sentence. The Company agrees not to effect or permit any change referred to in the preceding sentences unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Secured Party to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral. The Company agrees promptly to

notify the Secured Party if any material portion of the Collateral owned or held by the Company is damaged or destroyed.

(b) The Company agrees to maintain, at its own cost and expense, such complete and accurate records with respect to the Collateral owned by it as is consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which the Company is engaged, but in any event to include complete accounting records indicating all payments and proceeds received with respect to any part of the Collateral, and, at such time or times as the Secured Party may reasonably request, promptly to prepare and deliver to the Secured Party a duly certified schedule or schedules in form and detail satisfactory to the Secured Party showing the identity, amount and location of any and all Collateral.

SECTION 4.02. Changes to Perfection Certificate. The Company shall notify the Secured Party promptly after any change to any of the information set forth in the Perfection Certificate.

SECTION 4.03. Protection of Security. The Company shall, at its own cost and expense, take any and all actions necessary to defend title to the Collateral against all Persons and to defend the Security Interest of the Secured Party in the Collateral and the priority thereof against any Lien, except with respect to and in connection with Permitted Liens.

SECTION 4.04. Further Assurances. The Company agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Secured Party may from time to time reasonably request to better assure, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements (including fixture filings) or other documents in connection herewith or therewith. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be promptly pledged and delivered to the Secured Party, duly endorsed in a manner satisfactory to the Secured Party. Without limiting the generality of the foregoing, the Company hereby authorizes the Secured Party, with prompt notice thereof to the Company, to supplement this Agreement by supplementing Schedule I, II or III hereto or adding additional schedules hereto to specifically identify any asset or item that may constitute Copyrights, Patents or Trademarks; provided, however, that the Company shall have the right, exercisable within 10 days after it has been notified by the Secured Party of the specific identification of such Collateral, to advise the Secured Party in writing of any inaccuracy of the representations and warranties made by the Company hereunder with respect to such Collateral. The Company agrees that it will use its best efforts to take such action as shall be necessary in order that all representations and warranties hereunder shall be true and correct with respect to such Collateral within 30 days after the date it has been notified by the Secured Party of the specific identification of such Collateral. Upon the request of the Secured Party, the Company will cooperate with the Secured Party in obtaining control (as defined in the Delaware UCC) of Collateral consisting of any Deposit Accounts, Electronic Chattel Paper, Investment Property or Letter-of-Credit Rights. Upon the request of the Secured Party, the Company will (a) immediately deliver to the Secured Party appropriately endorsed or accompanied by appropriate instruments of transfer or assignment, all Instruments, Documents, Chattel Paper and certificated securities with respect to any Investment Property, all letters of credit, and all other Accounts at any time evidenced by promissory notes, trade acceptances or other instruments, (b) cause any securities intermediaries to show on their books that the Secured Party is the entitlement holder with respect to any Investment Property, and/or obtain agreements to establish control (as defined in the Delaware UCC) in favor of the Secured Party from such securities intermediaries, in form and substance satisfactory to the Secured Party with respect to any Investment Property, as requested by the Secured Party and (c) provide such notice, obtain such acknowledgements and take all such other action, with respect to any Chattel Paper, Documents and Letter-of-Credit Rights, as the Secured Party shall reasonably specify.

SECTION 4.05. Inspection and Verification. The Secured Party and such Persons as the Secured Party may reasonably designate shall have the right to inspect the Collateral, all records related thereto (and to make extracts and copies from such records) and the premises upon which any of the Collateral is located, to discuss the Company's affairs with the officers of the Company and their independent accountants and to verify under reasonable procedures the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to, the Collateral, including, in the case of Accounts or Collateral in the possession of any third person, by contacting Account Debtors or the third person possessing such Collateral for the purpose of making such a verification.

SECTION 4.06. Taxes; Encumbrances. At its option and after notice to the Company, the Secured Party may discharge past due taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Collateral and may pay for the maintenance and preservation of the Collateral to the extent the Company fails to do so as required by this Agreement, and the Company agrees to reimburse the Secured Party on demand for any payment made or any expense incurred by the Secured Party pursuant to the foregoing authorization; provided, however, that nothing in this Section 4.06 shall be interpreted as excusing the Company from the performance of, or imposing any obligation on the Secured Party to cure or perform, any covenants or other promises of the Company with respect to taxes, assessments, charges, fees, liens, security interests or other encumbrances and maintenance as set forth herein or in the other Transaction Documents.

SECTION 4.07. Assignment of Security Interest. If at any time the Company shall take a security interest in any property of an Account Debtor or any other Person to secure payment and performance of an Account, the Company shall promptly assign such security interest to the Secured Party. Such assignment need not be filed of public record unless necessary to continue the perfected status of the security interest against creditors of and transferees from the Account Debtor or other Person granting the security interest.

SECTION 4.08. Continuing Obligations of the Company. The Company shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Collateral, all in accordance with the terms and conditions thereof, and the Company agrees to indemnify and hold harmless the Secured Party from and against any and all liability for such performance.

SECTION 4.09. Use and Disposition of Collateral. Except with respect to Permitted Liens, the Company shall not make or permit to be made an assignment, pledge or hypothecation of the Collateral or shall grant any other Lien in respect of the Collateral. Except with respect to Permitted Liens, the Company shall not make or permit to be made any transfer of the Collateral other than in the ordinary course of business and the Company shall remain at all times in possession of the Collateral owned by it other than (i) in the ordinary course of business, and (ii) as permitted in Section 4.01(a) above. Without limiting the generality of the foregoing, the Company agrees that except as provided above it shall not permit any Inventory to be in the possession or control of any warehouseman, bailee, agent or processor at any time unless such warehouseman, bailee, agent or processor shall have been notified of the Security Interest and shall have agreed in writing to hold the Inventory subject to the Security Interest and the instructions of the Secured Party and to waive and release any Lien held by it with respect to such Inventory, whether arising by operation of law or otherwise.

SECTION 4.10. Limitation on Modification of Accounts. The Company shall not, without the Secured Party's prior written consent, grant any extension of the time of payment of any of the Accounts included in the Collateral, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any Person liable for the payment thereof or allow any credit or discount whatsoever thereon, other than extensions, credits, discounts, compromises or settlements granted or made in the ordinary course of business and consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which the Company is engaged.

SECTION 4.11. Insurance. The Company, at its own expense, shall maintain or cause to be maintained insurance covering physical loss or damage to the Collateral. The Company irrevocably makes, constitutes and appoints the Secured Party (and all officers, employees or agents designated by the Secured Party) as the Company's true and lawful agent (and attorney-in-fact) for the purpose, during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Collateral under policies of insurance, endorsing the name of the Company on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that the Company at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or to pay any premium in whole or part relating thereto, the Secured Party may, without waiving or releasing any obligation or liability of the Company hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Secured Party deems advisable. All sums disbursed by the Secured Party in connection with this Section 4.11, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Company to the Secured Party and shall be additional Obligations secured hereby.

SECTION 4.12. Legend. The Company shall legend, in form and manner satisfactory to the Secured Party, its Chattel Paper and its books, records and documents evidencing or pertaining thereto with an appropriate reference to the fact that such Chattel Paper have been assigned to the Secured Party and that the Secured Party has a security interest therein.

SECTION 4.13. Covenants Regarding Patent, Trademark and Copyright Collateral. (a) The Company agrees that it will not, nor will it permit any of its licensees to, do any act, or omit to do any act, whereby any Patent may become invalidated or dedicated to the public, and agrees that it shall continue to mark any products covered by a Patent with the relevant patent number as necessary and sufficient to establish and preserve its maximum rights under applicable laws.

(b) The Company (either itself or through its licensees or its sublicensees) will, for each Trademark, (i) maintain such Trademark in full force free from any claim of abandonment or invalidity for non-use, (ii) maintain the quality of products and services offered under such Trademark, (iii) display such Trademark with notice of Federal or foreign registration to the extent necessary and sufficient to establish and preserve its maximum rights under applicable law and (iv) not knowingly use, or knowingly permit the use of, such Trademark in violation of any third party rights.

(c) The Company (either itself or through licensees) will, for each work covered by a Copyright, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice as necessary and sufficient to establish and preserve its maximum rights under applicable laws.

(d) The Company shall notify the Secured Party immediately if it knows, or has reason to know, that any Patent, Trademark or Copyright may become abandoned, lost or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, United States Copyright Office or any court or similar office of any country) regarding the Company's ownership of any Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(e) In no event shall the Company, either itself or through any agent, employee, licensee or designee, file an application for any Patent, Trademark or Copyright (or for the registration of any Trademark or Copyright) with the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, unless it promptly informs the Secured Party, and, upon request of the Secured Party, executes and delivers any and all agreements, instruments, documents and papers as the Secured Party may request to evidence the Secured Party's security interest in such

Patent, Trademark or Copyright, and the Company hereby appoints the Secured Party as its attorney-in-fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable.

(f) The Company will take all necessary steps that are consistent with the practice in any proceeding before the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, to maintain and pursue each application relating to the Patents, Trademarks and/or Copyrights (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trademarks and Copyrights, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with good business judgment, to initiate opposition, interference and cancellation proceedings against third parties.

(g) In the event that the Company has reason to believe that any Collateral consisting of a Patent, Trademark or Copyright has been or is about to be infringed, misappropriated or diluted by a third party, the Company promptly shall notify the Secured Party and shall, if consistent with good business judgment, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as are appropriate under the circumstances to protect such Collateral.

(h) Upon and during the continuance of an Event of Default, the Company shall use its best efforts to obtain all requisite consents or approvals by the licensor of each Copyright License, Patent License or Trademark License to effect the assignment of all of the Company's right, title and interest thereunder to the Secured Party or its designee.

(i) The Company shall ensure that fully executed security agreements in the form hereof] and containing a description of all Collateral consisting of Intellectual Property shall have been received and recorded within three months after the execution of this Agreement with respect to United States Patents, United States registered Trademarks (and Trademarks for which United States registration applications are pending) and United States registered Copyrights have been delivered to the Secured Party for recording by the United States Patent and Trademark Office and the United States Copyright Office pursuant to 35 U.S.C. Section 261, 15 U.S.C. Section 1060 or 17 U.S.C. Section 205 and the regulations thereunder, as applicable, and otherwise as may be required pursuant to the laws of any other necessary jurisdiction, to protect the validity of and to establish a legal, valid and perfected security interest in favor of the Secured Party in respect of all Collateral consisting of Patents, Trademarks and registered Copyrights in which a security interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, or in any other necessary jurisdiction, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary (other than such actions as are necessary to perfect the Security Interest with respect to any Collateral consisting of Patents, Trademarks and Copyrights (or registration or application for registration thereof) acquired or developed after the date of this amendment and restatement).

SECTION 4.14. Other Actions. In order to further insure the attachment, perfection and priority of, and the ability of the Secured Party to enforce, the Secured Party's security interest in the Collateral, the Company agrees, in each case at the Company's own expense, to take the following actions with respect to the following Collateral:

(a) **Instruments and Tangible Chattel Paper.** If the Company shall at any time hold or acquire any Instruments or Tangible Chattel Paper, the Company shall forthwith endorse, assign and deliver the same to the Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as the Secured Party may from time to time specify.

(b) Investment Property. If the Company shall at any time hold or acquire any certificated securities, the Company shall forthwith endorse, assign and deliver the same to the Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as the Secured Party may from time to time specify. If any securities now or hereafter acquired by the Company are uncertificated and are issued to the Company or its nominee directly by the issuer thereof, the Company shall promptly notify the Secured Party thereof and, at the Secured Party's request and option, pursuant to an agreement in form and substance satisfactory to the Secured Party, either (i) cause the issuer to agree to comply with instructions from the Secured Party as to such securities, without further consent of the Company or such nominee or (ii) arrange for the Secured Party to become the registered owner of the securities. If any securities, whether certificated or uncertificated, or other investment property now or hereafter acquired by the Company are held by the Company or its nominee through a securities intermediary or commodity intermediary, the Company shall promptly notify the Secured Party thereof and, at the Secured Party's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Secured Party, either (A) cause such securities intermediary or commodity intermediary (as the case may be) to agree to comply with entitlement orders or other instructions from the Secured Party to such securities intermediary as to such securities or other investment property or to apply any value distributed on account of any commodity contract as directed by the Secured Party to such commodity intermediary, in each case without further consent of the Company or such nominee or (B) in the case of Financial Assets or other Investment Property held through a securities intermediary, arrange for the Secured Party to become the entitlement holder with respect to such Investment Property, with the Company being permitted, only with the consent of the Secured Party, to exercise rights to withdraw or otherwise deal with such Investment Property. The Secured Party agrees with the Company that the Secured Party shall not give any such entitlement orders or instructions or directions to any such issuer, securities intermediary or commodity intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by the Company, unless an Event of Default has occurred and is continuing, or, after giving effect to any such investment and withdrawal rights would occur.

(c) Electronic Chattel Paper and Transferable Records. If the Company at any time holds or acquires an interest in any Electronic Chattel Paper or any "transferable record," as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, the Company shall promptly notify the Secured Party thereof and, at the request of the Secured Party, shall take such action as the Secured Party may reasonably request to vest in the Secured Party control under the Delaware UCC of such Electronic Chattel Paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Secured Party agrees with the Company that the Secured Party will arrange, pursuant to procedures satisfactory to the Secured Party and so long as such procedures will not result in the Secured Party's loss of control, for the Company to make alterations to the electronic chattel paper or transferable record permitted under the Delaware UCC or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by the Company with respect to such Electronic Chattel Paper or transferable record.

(d) Letter-of-Credit Rights. If the Company is at any time a beneficiary under a letter of credit now or hereafter issued in favor of the Company, the Company shall promptly notify the Secured Party thereof and, at the request and option of the Secured Party, the Company shall, pursuant to an agreement in form and substance reasonably satisfactory to the Secured Party, either (i) arrange for the issuer and any confirmed of such letter of credit to consent to an assignment to the Secured Party of the proceeds of any drawing under the letter of credit or (ii) arrange for the Secured Party to become the transferee beneficiary of the letter of credit.

(e) Commercial Tort Claims. If the Company shall at any time hold or acquire a Commercial Tort Claim, the Company shall promptly notify the Secured Party in a writing signed by the

Company of the brief details thereof and grant to the Secured Party in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Secured Party.

ARTICLE V

Collections

SECTION 5.01. Collections. Upon the occurrence of and during the continuance of an Event of Default, the Secured Party shall have the right, at any time and from time to time, (a) to notify the Account Debtors and other third parties holding or otherwise concerned with the Collateral that the Accounts have been assigned to the Secured Party and that the Secured Party has a security interest therein; (b) to direct all such Persons to make payments to the Secured Party of all or any part of the sums owing to the Company by such Persons; (c) to enforce collection of any of the Accounts by suit or otherwise; (d) to surrender, release or exchange all or any part of such Accounts; or (e) to compromise, settle, extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby.

SECTION 5.02. Power of Attorney. The Company irrevocably makes, constitutes and appoints the Secured Party (and all officers, employees or agents designated by the Secured Party) as the Company's true and lawful agent and attorney-in-fact, and in such capacity the Secured Party shall have the right, with full power of substitution for the Company and in the Company's name or otherwise, for the use and benefit of the Secured Party, upon the occurrence and during the continuance of an Event of Default (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof; (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral; (c) to sign the name of the Company on any invoice or bill of lading relating to any of the Collateral; (d) to send verifications of Accounts included in the Collateral to any Account Debtor; (e) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral; (f) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral; (g) to notify, or to require the Company to notify, Account Debtors to make payment directly to the Secured Party; and (h) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Secured Party were the absolute owner of the Collateral for all purposes; provided, however, that nothing herein contained shall be construed as requiring or obligating the Secured Party to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Secured Party, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby, and no action taken or omitted to be taken by the Secured Party with respect to the Collateral or any part thereof shall give rise to any defense, counterclaim or offset in favor of the Company or to any claim or action against the Secured Party. It is understood and agreed that the appointment of the Secured Party as the agent and attorney-in-fact of the Company for the purposes set forth above is coupled with an interest and is irrevocable. The provisions of this Section shall in no event relieve the Company of any of its obligations hereunder or under any other Transaction Document with respect to the Collateral or any part thereof or impose any obligation on the Secured Party to proceed in any particular manner with respect to the Collateral or any part thereof, or in any way limit the exercise by the Secured Party of any other or further right which it may have on the date of this Agreement or hereafter, whether hereunder, under any other Transaction Document, by law or otherwise.

ARTICLE VI

Remedies

SECTION 6.01. Remedies upon Default. Upon the occurrence and during the continuance of an Event of Default, the Company agrees to deliver each item of Collateral to the Secured Party on demand, and it is agreed that the Secured Party shall have the right to take any of, or all, the following actions at the same or different times: (a) with respect to any Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any of or all such Collateral by the Company to the Secured Party, or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any such Collateral throughout the world on such terms and conditions and in such manner as the Secured Party shall determine (other than in violation of any then-existing licensing arrangements to the extent that waivers cannot be obtained) and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the Collateral and without liability for trespass to enter any premises where the Collateral may be located for the purpose of taking possession of or removing the Collateral and, generally, to exercise any and all rights afforded to a secured party under the Delaware UCC or other applicable law. Without limiting the generality of the foregoing, the Company agrees that the Secured Party may sell or otherwise dispose of all or any part of the Collateral, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Secured Party shall deem appropriate. The Secured Party shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Secured Party shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of the Company, and the Company hereby waives all rights of redemption, stay, valuation and appraisal which the Company now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Secured Party shall give the Company 10 days' written notice (which the Company agrees is reasonable notice within the meaning of the Delaware UCC or its equivalent in other jurisdictions) of the Secured Party's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Secured Party may fix and state in the notice of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Secured Party may (in its sole and absolute discretion) determine. The Secured Party shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Secured Party until the sale price is paid by the purchaser or purchasers thereof, but the Secured Party shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Section, the Secured Party may bid for or purchase, free from any right of redemption, stay, valuation or appraisal on the part of the Company (all said rights being also hereby waived and released), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Secured Party from the Company as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to the Company therefor. For

purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Secured Party shall be free to carry out such sale pursuant to such agreement; and the Company shall not be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Secured Party shall have entered into such an agreement all Events of Default shall have been remedied and the Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Secured Party may proceed by a suit or suits at law or in equity to foreclose upon the Collateral and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Any sale pursuant to the provisions of this Section 6.01 shall be deemed to conform to the commercially reasonable standards as provided in the Delaware UCC or its equivalent in other jurisdictions.

SECTION 6.02. Application of Proceeds. The Secured Party shall apply the proceeds of any collection or sale of Collateral, as well as any Collateral consisting of cash, as follows:

FIRST, to the payment of all costs and expenses incurred by the Secured Party (in its capacity as such hereunder or under any other Transaction Document) in connection with such collection or sale or otherwise in connection with this Agreement, any other Transaction Document or any of the Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Secured Party hereunder or under any other Transaction Document on behalf of the Company and any other costs or expenses incurred by the Secured Party in connection with the exercise of any right or remedy hereunder or under any other Transaction Document;

SECOND, to the payment in full of the Obligations; and

THIRD, to the Company, its successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Secured Party shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of the Collateral by the Secured Party (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the purchase money by the Secured Party or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Secured Party or such officer or be answerable in any way for the misapplication thereof.

SECTION 6.03. Grant of License to Use Intellectual Property. For the purpose of enabling the Secured Party to exercise rights and remedies under this Article at such time as the Secured Party shall be lawfully entitled to exercise such rights and remedies, the Company hereby grants to the Secured Party an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Company) to use, license or sub-license any of the Collateral consisting of Intellectual Property now owned or hereafter acquired by the Company, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The use of such license by the Secured Party shall be exercised, at the option of the Secured Party, upon the occurrence and during the continuation of an Event of Default; provided that any license, sub-license or other transaction entered into by the Secured Party in accordance herewith shall be binding upon the Company notwithstanding any subsequent cure of an Event of Default.

ARTICLE VII

Miscellaneous

SECTION 7.01. Notices. All notices, requests and demands to or upon the parties to this Agreement shall be deemed to have been given or made when delivered by hand, or when deposited in the mail, postage prepaid by registered or certified mail, return receipt requested, or, in the case of notice by telegraph, telex or facsimile transmission, when properly transmitted, addressed as follows or to such other address as may be hereafter designated in writing by one party to the other:

Company:	Videology, Inc. 1500 Whetstone Way, Suite 500 Baltimore, MD 21230 Attn: Mike Woosley, Chief Financial Officer Facsimile: (443) 378-7567
Secured Party:	Ferlin Investments II, LLC P.O. Box 1567 Stony Brook, New York 11790 Attn: Jason Ellin Facsimile: (443) 269-0096

SECTION 7.02. except in cases where it is expressly herein provided that such notice, request or demand is not effective until received by the party to whom it is addressed.

SECTION 7.03. Security Interest Absolute. All rights of the Secured Party hereunder, the Security Interest and all obligations of the Company hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Note, this Agreement, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Note, this Agreement or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Company in respect of the Obligations or in respect of this Agreement.

SECTION 7.04. Survival of Agreement. All covenants, agreements, representations and warranties made by the Company herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Transaction Document shall be considered to have been relied upon by the Secured Party and shall survive the Closing, regardless of any investigation made by the Secured Party or on their behalf.

SECTION 7.05. Binding Effect; Several Agreement. This Agreement shall become effective as to the Company when a counterpart hereof executed on behalf of the Company shall have been delivered to the Secured Party and a counterpart hereof shall have been executed on behalf of the Secured Party, and thereafter shall be binding upon the Company and the Secured Party and their respective successors and assigns, and shall inure to the benefit of the Company, the Secured Party and their respective successors and assigns, except that the Company shall not have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Collateral (and any such assignment or transfer shall be void) except as expressly contemplated by this Agreement and the other Transaction Documents.

SECTION 7.06. Secured Party's Fees and Expenses; Indemnification. (a) The Company agrees to pay upon demand to the Secured Party the amount of any and all reasonable expenses, including the reasonable fees, other charges and disbursements of its counsel and of any experts or agents, which the Secured Party may incur in connection with (i) the administration of this Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, (iii) the exercise, enforcement or protection of any of the rights of the Secured Party hereunder or (iv) the failure of the Company to perform or observe any of the provisions hereof.

(b) Without limitation of its indemnification obligations under the other Transaction Documents, the Company agrees to indemnify the Secured Party, and hold the Secured Party harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees, other charges and disbursements, incurred by or asserted against the Secured Party arising out of, in any way connected with, or as a result of, the execution, delivery or performance of this Agreement or any other Transaction Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the transactions contemplated hereby and thereby and the other transactions contemplated thereby or any claim, litigation, investigation or proceeding relating to any of the foregoing or to the Collateral, whether or not the Secured Party is a party thereto.

(c) Any amounts payable as provided hereunder shall be additional Obligations secured hereby and by the other Transaction Documents. The provisions of this Section 7.06 shall remain operative and in full force and effect regardless of the termination of this Agreement or any other Transaction Document, the consummation of the transactions contemplated hereby, the repayment of any of the Obligations, the invalidity or unenforceability of any term or provision of this Agreement or any other Transaction Document, or any investigation made by or on behalf of the Secured Party. All amounts due under this Section 7.06 shall be payable on written demand therefor and shall bear interest at the rate specified in the Notes.

SECTION 7.07. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Maryland, without regard to its principles of conflicts of laws. The parties agree that any action brought by either party under or in relation to this Agreement, including without limitation to interpret or enforce any provision of this Agreement, shall be brought in, and each party agrees to and does hereby submit to the jurisdiction and venue of, any state or federal court located in Baltimore, Maryland. **THE COMPANY HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY WITH RESPECT TO DISPUTES ARISING UNDER THIS AGREEMENT AND CONSENTS TO A BENCH TRIAL WITH THE APPROPRIATE JUDGE ACTING AS THE FINDER OF FACT.**

SECTION 7.08. Waivers; Amendment. (a) No failure or delay of the Secured Party in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Secured Party hereunder and under the other Transaction Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provisions of this Agreement or any other Transaction Document or consent to any departure by the Company therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Company in any case shall entitle the Company to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to a written agreement entered into between the Secured Party and the Company.

SECTION 7.09. Severability. If any term or provision of this Agreement is determined to be illegal, unenforceable or invalid in whole or in part for any reason, such illegal, unenforceable or invalid provisions or part thereof shall be stricken from this Agreement, and such provision shall not affect the legality, enforceability or validity of the remainder of this Agreement. If any provision of this Agreement is stricken in accordance with the provisions of this Section 7.08, then such stricken provision shall be replaced, to extent possible, with a legal, enforceable and valid provision that is as similar in tenor to the stricken provision as is legally possible.

SECTION 7.10. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute a single contract and shall become effective as provided in Section 7.04. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

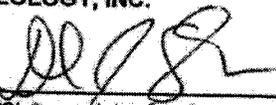
SECTION 7.11. Headings. Article and Section headings used herein are for the purpose of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 7.12. Termination or Release. This Agreement and the Security Interest shall terminate when all the Obligations have been indefeasibly paid in full, at which time the Secured Party shall execute and deliver to the Company, at the Company's expense, all Uniform Commercial Code termination statements and similar documents which the Company shall reasonably request to evidence such termination. Any execution and delivery of termination statements or documents pursuant to this Section 7.11 shall be without recourse to or warranty by the Secured Party.

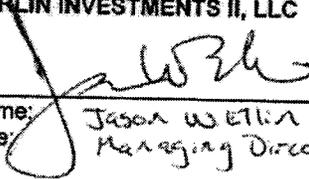
[remainder of page intentionally left blank]

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

VIDEOLOGY, INC.

By: 
Name: Daniel J. Smith
Title: VP, Chief Counsel

FERLIN INVESTMENTS II, LLC

By: 
Name: Jason Wetlin
Title: Managing Director

[SIGNATURE PAGE TO SECURITY AGREEMENT]

**SCHEDULE I
COPYRIGHTS**

Copyrights (registered with the U.S. Copyright Office)

NONE

Copyright Applications (filed with the U.S. Copyright Office)

NONE

Software not registered with the U.S. Copyright Office:

Videology, Inc. has developed software for its Software as a Service platform (“SaaS”) for online advertising to provide its clients with advertising yield management, data aggregation, targeting, optimization and inventory procurement for hosting, delivering disseminating and decisioning advertisements. SaaS is software that is deployed over the Internet, rather than installed on a computer, that is often used for enterprise applications that are distributed to multiple users. SaaS applications typically run within a Web browser, which means users only need a compatible browser in order to access the software.

Videology, Inc. employ software developers who develop other software programs, from time to time, as their business needs dictate.

**SCHEDULE II
PATENTS**

Patents

NONE

Patent Applications

App # and Date	Title	Owner of Record	Entity
13/336081 – 12/23/2011	List-Based Advertisement Serving	Videology, Inc.	USPTO

**SCHEDULE III
TRADEMARKS**

Trademark Registrations

Reg. # and Date	Mark	Owner	Entity
3,803,713 – 06/15/2010	TIDALTV word mark	Videology, Inc.	USPTO
4,112,567 – 03/13/2012	VIDEOLOGY word mark	Videology, Inc.	USPTO
4,229,450 – 10/23/2012	VIDEOLOGY design mark	Videology, Inc.	USPTO
009693078 – 07/05/2011	VIDEOLOGY word mark	Videology, Inc.	EU CTM
011142411 – 01/23/2013	VIDEOLOGY design mark	Videology, Inc.	EU CTM

Trademark Applications

NONE

Mask Works

NONE

PERFECTION CERTIFICATE

All capitalized terms used but not defined herein shall have the meanings given such terms in the Security Agreement, as applicable.

The undersigned, an officer of the Company, hereby certifies to the Secured Party as follows:

1. **Names.** (a) The exact legal name of the Company, as such name appears in its organizational documents, is as follows: **Videology, Inc.**

(b) Set forth below is each other legal name the Company has had in the past five years, together with the date of the relevant change:

Name	Period of Use	Note whether prior legal name, fictitious name, d/b/a, trade name, etc.
TidalTV, LLC (merged into TidalTV, Inc.)	June 18, 2007 – January 31, 2008	Prior Legal Name
TidalTV, Inc. (changed name to Videology, Inc.)	January 16, 2008 – December 31, 2011	Prior Legal Name
TidalTV, Inc. d/b/a Videology (UK)	November 1, 2010 – December 22, 2010	d/b/a
Videology Group	January 3, 2012 – present	fictitious name (NY State)

(c) Except as listed below, the Company has not changed its identity or legal structure in any way within the past five years. Changes in identity or legal structure would include mergers, consolidations and acquisitions, as well as any change in the form, nature or jurisdiction of organization:

Legal Name	Jurisdiction of Formation / Address	Date of Acquisition	Type of Property Acquired	Federal Taxpayer Identification Number
Collider Media, Inc.	Delaware 211 7 th Street, 5 th Floor Austin, TX 78701	06/07/2012	Stock	35-2448602
LucidMedia Networks, Inc.	Delaware 11490 Commerce Park Drive Suite 220, Reston, VA, 20191	09/24/2012	Stock	54-1878566

(d) The following is a list of all other names (including trade names or similar appellations) used by the Company or any of its divisions or other business units in connection with the conduct of its business or the ownership of its properties at any time during the past five years: **None, except as identified in 1(a) and (b) above.**

(e) The Federal Taxpayer Identification Number of the Company is: **26-1772191.**

(f) The organizational number of the Company is: **4475305 (DE).**

2. Current Locations. (a) The chief executive office of the Company is located at the following address:

1500 Whetstone Way, Suite 500
Baltimore, Maryland 21230

(b) The jurisdiction of organization of the Company is the: **State of Delaware.**

The Company is duly qualified to transact business as a foreign entity in the following states (and/or countries) (list jurisdictions other than jurisdiction of formation):

- **Florida (Department ID No. F1200000968);**
- **Maryland (Department ID No. F12334413);**
- **New York (Department ID No. 3684971 d/b/a Videology Group); and**
- **Texas (Department ID No. 801198136).**

(c) Set forth below are all the places of business of the Company not identified in paragraph (a) or (b) above:

100 Market Street, Units E & F
Venice, CA 90291

1500 Broadway, Suite 400
New York, NY 10036

211 7th Street, 5th Floor
Austin, TX 78701

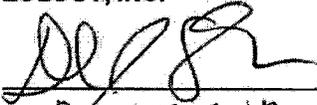
(d) Set forth below opposite are all the locations where the Company maintains any Collateral not identified above:

None

3. Intellectual Property. Attached hereto as Schedule 3(A) in proper form for filing with the United States Patent and Trademark Office is a schedule setting forth all of the Company's Patents and Trademarks. Attached hereto as Schedule 3(B) in proper form for filing with the United States Copyright Office is a schedule setting forth all of the Company's Copyrights.

IN WITNESS WHEREOF, the undersigned has duly executed this Perfection Certificate on this 10th day of May, 2013.

VIDEOLOGY, INC.

By: 

Name: Daniel J. Smith

Title: VP, Chief Counsel

**Schedule 3(a)
(Patents and Trademarks)**

Patents

NONE

Patent Applications

App # and Date	Title	Owner of Record	Entity
13/336081 – 12/23/2011	List-Based Advertisement Serving	Videology, Inc.	USPTO

Trademark Registrations

Reg. # and Date	Mark	Owner	Entity
3,803,713 – 06/15/2010	TIDALTV word mark	Videology, Inc.	USPTO
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4,229,450 – 10/23/2012	VIDEOLOGY design mark	Videology, Inc.	USPTO
009693078 – 07/05/2011	VIDEOLOGY word mark	Videology, Inc.	EU CTM
011142411 – 01/23/2013	VIDEOLOGY design mark	Videology, Inc.	EU CTM

Trademark Applications

NONE

Mask Works

NONE

Schedule 3(b)
(Copyrights)

Copyrights (registered with the U.S. Copyright Office)

NONE

Copyright Applications (filed with the U.S. Copyright Office)

NONE

Software not registered with the U.S. Copyright Office:

Videology, Inc. has developed software for its Software as a Service platform (“**SaaS**”) for online advertising to provide its clients with advertising yield management, data aggregation, targeting, optimization and inventory procurement for hosting, delivering disseminating and decisioning advertisements. SaaS is software that is deployed over the Internet, rather than installed on a computer, that is often used for enterprise applications that are distributed to multiple users. SaaS applications typically run within a Web browser, which means users only need a compatible browser in order to access the software.

Videology, Inc. employ software developers who develop other software programs, from time to time, as their business needs dictate.