

RECORDATION FORM COVER SHEET

08-16-2000



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TO: The Commissioner of Patents and Trademarks:

Please record the attached original document(s) or copy(ies).

2000 OCT 16 PM 12:07  
C/M/T/INNOVATE

**SUBMISSION TYPE:** New

**CONVEYANCE TYPE:** Security Agreement

**CONVEYING PARTY:**

**Name:** CPAS SYSTEMS INC.

**Execution Date:** May 3, 2000

**Entity :** Corporation

**Country of Incorporation:** Canada

**RECEIVING PARTIES (2 Total)**

**RECEIVING PARTY # 1**

**Name:** ROYNAT CAPITAL INC.

**Address:** c/o Blake, Cassels & Graydon LLP  
Box 25, Commerce Court West  
199 Bay Street  
Toronto, Ontario, Canada  
M5L 1A9

**Entity:** Corporation

**Country of Incorporation:** Canada

**RECEIVING PARTY # 2**

**Name:** BUSINESS DEVELOPMENT BANK OF CANADA

08/15/2000 MTHAI1 00000215 1985234

01 FC:481 40.00 OP  
02 FC:482 25.00 OP

**RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY**

**Address:** c/o Blake, Cassels & Graydon LLP  
Box 25, Commerce Court West  
199 Bay Street  
Toronto, Ontario, Canada  
M5L 1A9

**Entity:** Corporation

**Country of Incorporation:** Canada

**DOMESTIC REPRESENTATIVE NAME AND ADDRESS**

**Name:** Andrew P. Palmer, Esquire

**Address:** 360 Prospect Street  
Norwell, MA 02061-1116

**CORRESPONDENT NAME AND ADDRESS**

**Telephone Number:** 781-740-2211

**Name:** Andrew P. Palmer, Esquire

**Address:** 360 Prospect Street  
Norwell, MA 02061-1116

**PAGES**

**Total Number of Pages of the Attached Security Agreement Documents (2 Total – 7  
Pages Each) Including Any Attachments:** 14

**TRADEMARK REGISTRATION NUMBER:** 1985234

**NUMBER OF PROPERTIES:** 1

**FEE AMOUNT:** \$65

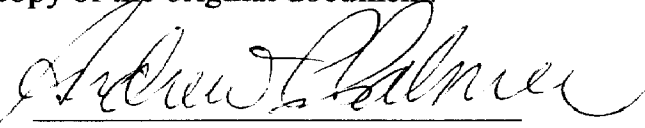
**Method of Payment:** Check Enclosed

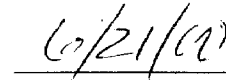
**RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY**

**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.

Andrew P. Palmer, Esquire

  
Signature

  
Date

## INTELLECTUAL PROPERTY SECURITY AGREEMENT (CANADA)

THIS AGREEMENT is made as of the 3rd day of May, 2000 between CPAS SYSTEMS INC. (the "Borrower") and ROYNAT CAPITAL INC. (the "Lender").

A. The Borrower is, or may become, indebted or liable to the Lender pursuant to a Debenture dated May 3, 2000 between the parties (as such Debenture may be amended, supplemented or replaced from time to time, the "Debenture").

B. To secure the due payment of the principal, interest and all other moneys from time to time payable under the Debenture (the "Liabilities"), the Borrower has granted to the Lender a security interest in all of its intellectual property, including:

- (a) all trade-marks, trade names, business names, trading styles, service marks, designs, logos and other sources of business identifiers, and the goodwill associated with any of the foregoing;
- (b) all copyrights in all works, including but not limited to all literary, artistic, musical and dramatic works, benefits of waivers of moral rights, sound recording rights, performers' rights and broadcasters' rights;
- (c) all industrial designs;
- (d) all technology, inventions, know-how, trade secrets and other processes; and

with respect to each of the above items:

- (v) all licenses and other agreements providing the Borrower with the right to use any items of the type described;
- (w) all licenses and other agreements granted by the Borrower permitting others the right to use any items of the type described;
- (x) all registrations and applications relating to such items, including all patents and industrial design registrations and foreign equivalents thereto;
- (y) the right to sue third parties (i) for past, present and future infringement or violations of any of the above items, (ii) for breach or enforcement of any agreement relating thereto, or (iii) for any injury to goodwill; and

all proceeds associated with the foregoing.

C. The Borrower has duly authorized the execution, delivery and performance of this Agreement.

NOW THEREFORE, for good and valuable consideration (the receipt and adequacy of which the parties acknowledge), the parties agree as follows:

1. **Security.** To secure the due payment and performance of all of the Liabilities of the Borrower, the Borrower hereby grants to the Lender a security interest in all of its right, title and interest in and to the Intellectual Property, including without limitation the trade-marks listed in Schedule A, including all registrations and applications in connection therewith, and all of the goodwill associated with those trade-marks; the inventions, patents and patent applications listed in Schedule B, copyright in the works listed in Schedule C, including all registrations and applications in connection therewith, and the industrial designs and industrial design applications and registrations listed in Schedule D.

2. **Power of Attorney.** The Borrower irrevocably appoints the Lender and any officer or agent of the Lender in accordance with the Powers of Attorney Act (Ontario), with full power of substitution from time to time, as the Borrower's true and lawful attorney-in-fact, to do on the Borrower's behalf anything which can lawfully be done by an attorney in connection with the security interest granted herein and, without limitation, to execute and do any assignments, transfers, registrations, agreements, licenses, assurances and things which the Borrower ought to execute and do, and has not executed and done, under the covenants and provisions contained in this Agreement or the Debenture and to use the name of the Borrower in the exercise of all or any of the powers hereby conferred on the Lender, and the Borrower declares this to be a general power of attorney in the widest respect. This power of attorney shall not be revoked or terminated by any act or instrument other than the termination of this Agreement in accordance with Section 3, and the Lender agrees that it will not exercise any of its rights under this Section 2 until there has been an event of default under the Debenture.

3. **Termination of this Agreement.** Upon payment and performance in full of all of the Liabilities, termination of all rights of the Borrower to receive any additional credit from the Lender and fulfilment by the Borrower of all of its obligations to the Lender with respect to the Liabilities, this Agreement shall be and become fully ended and terminated and all right, title and interest in and to the Intellectual Property secured by the Borrower hereunder shall be released, and the Lender shall, upon the written request and at the expense of the Borrower, execute such instruments and other documents and give such notifications or assurances as may be necessary to fully release, cancel and discharge this Agreement.

4. **Rights and Remedies Cumulative.** The rights or remedies given to the Lender hereunder shall be cumulative of and not substituted for any rights or remedies to which Lender may be entitled under the Debentures or any other agreement or security provided to the Lender with respect to the Liabilities or under statute or at law, and may be exercised whether or not the Lender has pursued or are then pursuing any other such rights and remedies.

5. **Severability.** All provisions of this Agreement are severable. Should any part of this Agreement be declared invalid, illegal or unenforceable, such declaration shall not affect the remainder of this Agreement which shall remain in full force and effect.

6. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

7. **Assignment.** This Agreement shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Borrower and its successors and permitted assigns. The Borrower may not assign any of its rights and obligations under this Agreement without the prior written consent of the Lender.

8. **Time of Essence.** Time shall be of the essence of this Agreement.

9. **Notices.** Subject to the express provisions of this Agreement, all communications provided for or permitted hereunder shall be given in accordance with the Debenture.


10. **Waiver.** A waiver of any provision of this Agreement shall constitute neither a waiver of any other provision nor a continuing waiver, unless expressly provided otherwise.


11. **Amendments.** This Agreement may not be modified or amended except with the written consent of both parties.

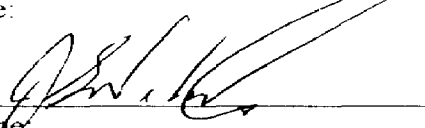
Executed at Toronto, as of the day and year first written above.

ROYNAT CAPITAL INC.

CPAS SYSTEMS INC.

By:   
Name:  
Title:

By:   
Name:  
Title:

By:  c/s  
Name:  
Title:

By: \_\_\_\_\_ c/s  
Name:  
Title:

(We have authority to bind the Corporation)

(I/We have authority to bind the Corporation)

**SCHEDULE "A"**

**INTELLECTUAL PROPERTY**

**(a) Registered Trademarks in Canada**

"Creative Page Design", Reg # 415713, August 20, 1993

"Creative Actuary", Reg # 415711, August 20, 1993

"Creative Benefits", Reg # 411427, April 23, 1993

"CS Design Logo", Reg # 387 512, August 9, 1991

"CPAS", Reg # 455 987, March 22, 1996

"CPAS - Canadian Pension Administration System", (Application. April 19, 2000)

**(b) Registered Trademarks in the United States**

"CPAS", Reg # 1,985,234

**(c) Registered Trademarks in the United Kingdom**

"CPAS", Reg # 2014785

**(c) Issued Patents and Pending Patent Applications in Canada**

n/a

**(d) Issued Patents in the United States**

n/a

**(e) Registered Copyright in Canada**

"Creative Actuary", Reg # 314555, 01 Oct 90

"CPAS Creative Pension Administration System", Reg # 384799, 12 Dec 88

"Creative Tools", Reg # 351071 & # 351070, 23 Apr 86

"The Creative Agent", Reg # 343052, 8 May 85

"The Creative Agent", Reg # 342239, 10 Apr 85

**(f) Registered Copyright in the United States**

n/a

**(g) Unregistered Copyright**

n/a

**(h) Third Party Software Licensed in favour of CPAS Systems Inc.**

Oracle Software pursuant to the Oracle Alliance Agreement entered into July 7, 1998

**Schedule "B"**

**Invention**

**Application No.**

**Patent No.**

**None**



Schedule "C"

Work

Application No.

Registration No.

None

**Schedule "D"**

**Industrial Design**

**Application No.**

**Registration No.**

**None**

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- (c) all industrial designs;
- (d) all technology, inventions, know-how, trade secrets and other processes; and

with respect to each of the above items:

- (v) all licenses and other agreements providing the Borrower with the right to use any items of the type described;
- (w) all licenses and other agreements granted by the Borrower permitting others the right to use any items of the type described;
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- (y) the right to sue third parties (i) for past, present and future infringement or violations of any of the above items, (ii) for breach or enforcement of any agreement relating thereto, or (iii) for any injury to goodwill; and

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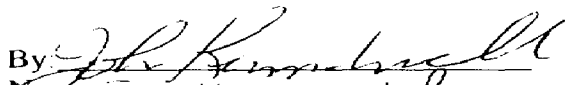
1. **Security.** To secure the due payment and performance of all of the Liabilities of the Borrower, the Borrower hereby grants to the Lender a security interest in all of its right, title and interest in and to the Intellectual Property, including without limitation the trade-marks listed in Schedule A, including all registrations and applications in connection therewith, and all of the goodwill associated with those trade-marks; the inventions, patents and patent applications listed in Schedule B, copyright in the works listed in Schedule C, including all registrations and applications in connection therewith, and the industrial designs and industrial design applications and registrations listed in Schedule D.
2. **Power of Attorney.** The Borrower irrevocably appoints the Lender and any officer or agent of the Lender in accordance with the Powers of Attorney Act (Ontario), with full power of substitution from time to time, as the Borrower's true and lawful attorney-in-fact, to do on the Borrower's behalf anything which can lawfully be done by an attorney in connection with the security interest granted herein and, without limitation, to execute and do any assignments, transfers, registrations, agreements, licenses, assurances and things which the Borrower ought to execute and do, and has not executed and done, under the covenants and provisions contained in this Agreement or the Debenture and to use the name of the Borrower in the exercise of all or any of the powers hereby conferred on the Lender, and the Borrower declares this to be a general power of attorney in the widest respect. This power of attorney shall not be revoked or terminated by any act or instrument other than the termination of this Agreement in accordance with Section 3, and the Lender agrees that it

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Executed at Toronto, as of the day and year first written above.

**BUSINESS DEVELOPMENT BANK      CPAS SYSTEMS INC.**  
**OF CANADA**

By:   
Name: John Kemp  
Title: Senior Investment Manager

c/s

By:   
Name: [Redacted]  
Title: [Redacted]

c/s

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

(We have authority to bind the Corporation)

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**(g) Unregistered Copyright**

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(h) **Third Party Software Licensed in favour of CPAS Systems Inc.**

Oracle Software pursuant to the Oracle Alliance Agreement entered into July 7, 1998

**Schedule "B"**

**Invention**

**Application No.**

**Patent No.**

**None**

**Schedule "C"**

<b><u>Work</u></b>	<b><u>Application No.</u></b>	<b><u>Registration No.</u></b>
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<b>None</b>		
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**Schedule "D"**

**Industrial Design**

**Application No.**

**Registration No.**

**None**