

5-2-01

05-11-2001

RE



EET

101714676

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy thereof:

<p>1. Name of conveying party: Marc Talon, Inc. 300 Delaware Avenue, Suite 553 Wilmington, Delaware 19801 [X] Corporation of California</p>	<p>2. Name and address of receiving party: IBJ Whitehall Bank & Trust Company as Administrative Agent One State Street New York, New York 10004 [X] Corporation of New York</p>
<p>3. Nature of conveyance: Security Agreement Execution Date: April 13, 2001</p>	<p>4. Trademark Registration No.: 1,158,906</p>
<p>5. Name and address of party to whom correspondence concerning document should be mailed: Kristen E. Mollnow, Esq. Nixon Peabody LLP Clinton Square Post Office Box 31051 Rochester, New York 14603</p>	<p>6. Total number of Registrations involved: 1</p>
<p>7. Total fee (37 CFR 3.41) \$40.00 [\$40.00] Check is enclosed.</p>	<p>8. Deposit Account Number: 14-1138 [X] Charge any additional fees to account.</p>
<p>DO NOT USE THIS SPACE</p>	

To the best of my knowledge and belief, the foregoing information is true and correct and the attached copy is a true and correct copy excerpt from the original document.

Kristen E. Mollnow
 Kristen E. Mollnow

5-1-01
 Date

[Total number of pages including cover sheet and Security Agreement: 13]

05/11/2001 LMUELLER 00000003 1158906
 01 FC:481 40.00 DP
 R487729.1

FIRST AMENDMENT TO SECURITY AGREEMENT

This **FIRST AMENDMENT TO SECURITY AGREEMENT** (this "First Amendment") is dated as of April 13, 2001, between CDI Finance Co., a Delaware corporation (the "Company"), Communication Dynamics, Inc., a Delaware corporation ("Holdings"), each of the Subsidiaries of the Company identified under the caption "SUBSIDIARY GUARANTORS" on the signature pages hereof (collectively, the "Subsidiary Guarantors" and together with the Company and Holdings, the "Obligors") and IBJ Whitehall Bank & Trust Company, a New York banking corporation, as administrative and collateral agent (hereinafter, in such capacity, together with its successors in such capacity, the "Collateral Agent") for the lenders or other financial institutions or entities party, as lenders (collectively, the "Lenders") to the Credit Agreement referred to below.

RECITALS:

WHEREAS, the Obligors, the Collateral Agent and the Lenders entered into that certain Credit Agreement, dated as of April 7, 2000 (as heretofore amended, the "Existing Credit Agreement"), providing for the making of term loans and revolving loans in the aggregate maximum principal amount outstanding at any one time not to exceed \$180,000,000 upon the terms and conditions set forth therein; and

WHEREAS, as an inducement to the Collateral Agent and the Lenders to enter into the Existing Credit Agreement, the Obligors entered into that certain Security Agreement, dated as of April 11, 2000, in favor of the Collateral Agent, as agent for the benefit of itself and the other Lenders (as in effect on the date hereof but prior to the effectiveness of this First Amendment, the "Existing Security Agreement"; capitalized terms used in this First Amendment, unless otherwise defined herein, shall have the meanings ascribed to them in the Existing Security Agreement), in order to secure the payment and performance of all of the Obligations;

WHEREAS, the Obligors, the Collateral Agent, IBJ Whitehall Bank & Trust Company, as Administrative Agent and the Lenders referred to therein, have entered into that certain First Amended and Restated Credit Agreement, dated as of even date herewith (as amended, supplemented, modified or restated from time to time, the "First Amended and Restated Credit Agreement"), which amends and restates in its entirety the Existing Credit Agreement to, among other things, provide for additional credit to the Obligors upon the terms and conditions set forth therein; and

WHEREAS, as an inducement to the Collateral Agent, the Administrative Agent and the Lenders to enter into the Credit Agreement, the Obligors have agreed to amend the Existing Security Agreement as herein provided.

NOW, THEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the Obligors and the Collateral Agent hereby agree as follows:

SECTION 1. Certain Amendments.

The first paragraph following the introductory paragraph on page 1 of the Security Agreement is hereby deleted in its entirety and replaced by the following:

“On April 7, 2000, the Company, the Subsidiary Guarantors, Holdings, certain lenders and the Collateral Agent entered into a Credit Agreement (such Credit Agreement, as the same may be amended or supplemented from time to time is referred to herein as the “Credit Agreement”) providing, subject to the terms and conditions thereof, for extensions of credit to be made by such lenders to the Company (the “Loans”). The Loans made or to be made by the Lenders to the Company shall be evidenced by certain promissory notes (as exchanged, replaced, amended, supplemented or modified from time to time, the “Notes”) in substantially the respective forms attached to the Credit Agreement.

SECTION 2. References to Certain Terms. All references to the “Obligations” when used in the Existing Security Agreement shall mean the “Obligations” as defined in the First Amended and Restated Credit Agreement. All references to the “Loan Documents” when used in the Existing Security Agreement shall mean the “Loan Documents”, respectively, as defined in the First Amended and Restated Credit Agreement. All references to the “Notes” when used in the Existing Security Agreement shall mean the “Notes”, respectively, as defined in the First Amended and Restated Credit Agreement. All references to “this Security Agreement” or “this Agreement” in the Existing Security Agreement shall mean the Existing Security Agreement as amended by this First Amendment. All references in the Existing Security Agreement to the “Credit Agreement” shall mean the First Amended and Restated Credit Agreement. All other capitalized terms used in the Existing Security Agreement and not therein defined shall have the meanings assigned to such terms in the First Amended and Restated Credit Agreement.

SECTION 3. Representations and Warranties. After giving effect to the amendments to the Existing Security Agreement set forth in this First Amendment, the representations and warranties of the Obligors set forth in the Existing Security Agreement are true and correct as of the date hereof as if made on the date hereof.

SECTION 4. No Novation. It is the intention of the parties hereto that this First Amendment shall not constitute a novation or termination of the Existing Security Agreement and shall in no way adversely affect or impair the validity or priority of the security interest created by the Existing Security Agreement, it being the intention of the parties hereto merely to amend the Existing Security Agreement as expressly set forth herein. To the extent not inconsistent herewith, all of the terms and conditions of the Existing Security Agreement shall remain in full force and effect and are hereby confirmed by the Obligors.

SECTION 5. Collateral Confirmation. The Obligors hereby certify to and agree with the

Collateral Agent, for its benefit and for the benefit of the Lenders, that the Existing Security Agreement remains, on and after the date hereof, in full force and effect notwithstanding the amendment and restatement of the Existing Credit Agreement pursuant to the First Amended and Restated Credit Agreement and that the Existing Security Agreement, as amended hereby, shall also be deemed to cover, secure and support any and all additional obligations of the Obligor to the Lenders, the Collateral Agent and the Administrative Agent, as contemplated by the First Amended and Restated Credit Agreement.

SECTION 6. Schedules. Attached hereto as Appendix A are supplemental schedules to the Existing Security Agreement all of which shall be deemed part of and incorporated into the Existing Security Agreement.

SECTION 7. Counterparts. This First Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original and shall be binding upon all parties and their respective permitted successors and assigns, and all of which taken together shall constitute one and the same agreement.

SECTION 8. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the state of New York without regard to any choice of law rules which would require the application of the laws of any other jurisdiction.

[Remainder of page intentionally left blank]

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

"COMPANY"

CDI FINANCE CO.

By: 

Name: William R. Hicks

Title: President

"SUBSIDIARY GUARANTORS"

TVC, INC.

TVC COMMUNICATIONS, INC.

MARC TALON, INC.

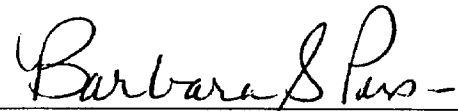
PACIFIC COAST CABLE SUPPLY, INC.

AMERICAN TECHNOLOGY EXPORTER, INC.

US ELECTRONICS, INC.

AMHERST FIBEROPTICS, INC.

AMHERST HOLDING CO.

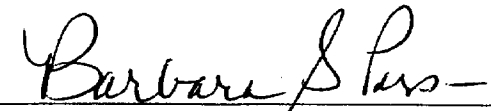
By: 

Name: Barbara S. Persun

Title: Vice President

"HOLDINGS"

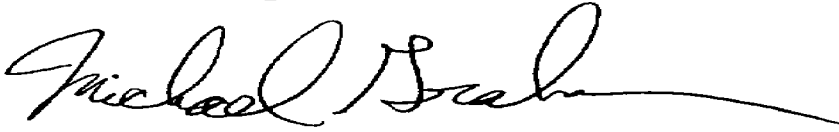
COMMUNICATION DYNAMICS, INC.

By: 

Name: Barbara S. Persun

Title: Vice President

IBJ WHITEHALL BANK & TRUST COMPANY,
as Collateral Agent

By: 

Name: Michael Graham
Title: Managing Director

Appendix A

SUPPLEMENTS TO SCHEDULES TO SECURITY AGREEMENT

Supplement to Schedule A-1:

Supplement to Schedule A-2:

Supplement to Schedule A-3:

Supplement to Schedule A-4:

Supplement to Schedule B:

Supplement to Schedule C:

**SCHEDULES
TO
FIRST AMENDMENT
TO
SECURITY AGREEMENT**

SCHEDULE A-1
to
Security Agreement and UCC-1 Financing Statement
in favor of
IBJ Whitehall Bank & Trust Company
as the Collateral Agent for the Lenders and the other Credit Parties*
granted by CDI FINANCE CO., COMMUNICATION DYNAMICS, INC.
and SUBSIDIARY GUARANTORS
as Obligors

This financing statement covers all of the following now owned or hereafter acquired items of each Obligor:

- 3) All equipment in all of its forms, wherever located, including, without limitation, all machinery and other goods, furniture, furnishings, fixtures, office supplies and all other similar types of tangible personal property and all parts thereof and all accessions thereto, together with all parts, fittings, special tools, alterations, substitutions, replacements and accessions thereto (any and all such equipment, parts and accessions being the "Equipment");
- 4) All inventory in all of its forms, wherever located, including, but not limited to, (i) all raw materials and work in process, finished goods, and materials used or consumed in manufacture or production, (ii) goods in which such Obligor has an interest in mass or a joint or other interest or right of any kind (including, without limitation, goods in which such Obligor has an interest or right as consignee), and (iii) goods which are returned to or repossessed by such Obligor, and all accessions thereto and products thereof and all documents and documents of title relating to or covering any of the foregoing or any other assets ("Documents") (any and all such inventory, accessions, products and Documents being the "Inventory");
- 5) All accounts, accounts receivable, contract rights, chattel paper, instruments, acceptances, drafts, and other obligations of any kind, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, together with all ledger sheets, files, records and documents relating to any of the foregoing, including all computer records, programs, storage media and computer software useful or required in connection therewith (the "Receivables"), and all rights now or hereafter existing in and to all security agreements, leases, and other contracts securing or otherwise relating to any such Receivables, and any and all such leases, security agreements and other contracts (the "Related Contracts");
- 6) All rights under all contracts or agreements to which such Obligor is a party (other than contracts or agreements which by their terms expressly prohibit the granting of a Lien thereon), including, but not limited to, the Agreement and Plan of Merger;

- 7) All trademarks, trade names, trade styles, service marks, domain names, prints and labels on which said trademarks, trade names, trade styles, service marks and domain names have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof, together with the goodwill associated therewith, and all reissues, amendments, extensions or renewals thereof and all licenses thereof (the "Trademarks");
- 8) All copyrights, copyrighted works or any item which embodies such copyrighted work of the United States or any other country, all applications therefor, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Copyright Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, and all derivative works, extensions or renewals thereof and all licenses thereof (the "Copyrights");
- 9) All letters patent of the United States or any other country, and all applications therefor, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, and all reissues, continuations, divisionals, continuations-in-part or extensions thereof and all licenses thereof (the "Patents");
- 10) Any and all trade secrets and other confidential information (including, without limitation, ideas, formulas, compositions, inventions [whether patentable or unpatentable and whether or not reduced to practice], know-how, manufacturing and production processes and techniques, research and development information, drawings, specifications, design, plans, proposals, technical data, copyrightable works, customer and supplier lists and information, which are owned, developed, licensed, or otherwise obtained from any source and any and all source codes used in connection with remote controls, together with all ledger sheets, files, records and documents relating to any of the foregoing, including all computer records, programs, storage media and computer software useful or required in connection therewith (the "Trade Secrets");
- 11) all bank accounts now or hereafter maintained by such Obligor and all funds in such accounts together with all monies, proceeds or sums due or to become due thereon or therefrom (all such bank accounts, the "Bank Accounts"), and all documents or instruments (including, but not limited to, passbooks,

certificates of deposit and receipts) necessary to be presented to withdraw funds or investments held in the Bank Accounts (the "Account Documents");

- 12) All general intangibles, including, but not limited to, good will and tax refunds, (the "General Intangibles"); and
- 13) All proceeds of any and all of the foregoing Collateral (including, without limitation, proceeds which constitute property of the types described in clauses (a) through (k) and, to the extent not otherwise included, all payments under insurance (whether or not the Collateral Agent or any Lender is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing items.

* As used in this Schedule A-1, "Lenders" means IBJ Whitehall Bank & Trust Company, its successors and assigns (including each "Lender" which shall become party to the Credit Agreement between the Company, the Subsidiary Guarantors, Holdings, IBJ Whitehall Bank & Trust Company, as Administrative Agent for the Lenders or other financial institutions or entities party, as Lenders, thereunder). All other capitalized terms shall have the meanings ascribed thereto in the Security Agreement.

SCHEDULE A-2
to
Security Agreement and UCC-1 Financing Statement
in favor of
IBJ Whitehall Bank & Trust Company
as the Collateral Agent for the Lenders
and the other Credit Parties*
granted by CDI FINANCE CO., COMMUNICATION DYNAMICS, INC.
and SUBSIDIARY GUARANTORS
as Obligor

* As used in this Schedule A-2, "Lenders" means IBJ Whitehall Bank & Trust Company, its successors and assigns (including each "Lender" which shall become party to the Credit Agreement between the Company, the Subsidiary Guarantors, Holdings, IBJ Whitehall Bank & Trust Company, as Administrative Agent for the Lenders or other financial institutions or entities party, as Lenders, thereunder). All other capitalized terms shall have the meanings ascribed thereto in the Security Agreement.

Trademarks

I. U.S. Trademark Registrations and Applications Owned by US Electronics, Inc.

1. CENTAURUS, 75/776,876
2. E-MOTE, 75/318,024
3. EXPEDITION, 75/776,877
4. INTEGRATOR, 75/341,953
5. MR. REMOTE, 2,267,455
6. MS. REMOTE, 75/488,423 --
7. NEMESIS, 75/767,093
8. PASSPORT, 75/421,001
9. PREDICTIVE TECHNOLOGY, 75/424,969
10. QUIK-ELINKS, 75/940,313
11. QUIK-LINKS, 75/940,309
12. SMARTLINKS, 75/845,434
13. SURF MATE, 2,186,871
14. US ELECTRONICS, 74/658,435
15. UPLINK, 75/488,087
16. WIRELESS REMOTES FOR A WIRED WORLD and Design, 75/424/968
17. WIRELESS REMOTES FOR A WIRED WORLD, 75/424,967

II. Foreign Trademarks and Applications Owned by US Electronics, Inc.

1. E-MOTE, Benelux 629294
2. E-MOTE, U.K. 2156321
3. EXPEDITION, E.C. 001152370
4. INTEGRATOR, Benelux 631227
5. INTEGRATOR, France 98 717221

6. INTEGRATOR, Germany 39806343
7. INTEGRATOR, U.K. 2157541
8. MEMORY LOCK, Benelux 600542
9. MEMORY LOCK, France 96 639874
10. MEMORY LOCK, Germany 396376509
11. MEMORY LOCK, U.K. 2104222
12. NEMESIS, E.C. 1273846
13. PREDICTIVE TECHNOLOGY, Benelux 637520
14. PREDICTIVE TECHNOLOGY, France 98 743758
15. PREDICTIVE TECHNOLOGY, Germany 39842739909
16. PREDICTIVE TECHNOLOGY, U.K. 2174313
17. SMART-ELINKS, E.C. 1536556
18. SURF MATE, Benelux 622043
19. SURF MATE, France 97 701414
20. SURF MATE, Germany 39751150
21. SURF MATE, U.K. 2149108
22. US ELECTRONICS, E.C. 11536
23. US ELECTRONICS, U.K. 2029538
24. WIRELESS REMOTES FOR A WIRED WORLD and Design, Benelux 642172
25. WIRELESS REMOTES FOR A WIRED WORLD, Benelux 634521
26. WIRELESS REMOTES FOR A WIRED WORLD, France 98 743759
27. WIRELESS REMOTES FOR A WIRED WORLD and Design, France 98 743760
28. WIRELESS REMOTES FOR A WIRED WORLD, Germany 39842740
29. WIRELESS REMOTES FOR A WIRED WORLD and Design, Germany 39842741
30. WIRELESS REMOTES FOR A WIRED WORLD, U.K. 2174312
31. WIRELESS REMOTES FOR A WIRED WORLD and Design, U.K. 2174314

III. U.S. Trademark Registrations and Applications Owned by Marc Talon, Inc.

- 1. MARATHON and Design, 2,089,054
- 2. MAXCELL, 75/837,125
- 3. QUIK-PULL, 1,158,906
- 4. TVC, 812,942

IV. U.S. Trademark Application Owned by TVC, Inc.

• MARATHON and Design, 75/464,488

V. Trademarks Owned by Amherst Holding Co.

• AMHERST FIBER OPTICS, 2,000,244