

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
ON THE BEAT, INC.		10/12/2005	CORPORATION: MASSACHUSETTS
RECEIVING PARTY DATA			
Name:	WELLS FARGO FOOTHILL, INC.		
Street Address:	421 WEST RIVERSIDE AVE., SUITE 830		
City:	SPOKANE		
State/Country:	WASHINGTON		
Postal Code:	99201		
Entity Type:	CORPORATION: CALIFORNIA		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Serial Number:	76647670	AMERICAN POLICE BEAT	
CORRESPONDENCE DATA			
Fax Number:	(509)458-2717		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	509-624-6265		
Email:	debbiep@wkdtdlaw.com		
Correspondent Name:	Debra A. Palm		
Address Line 1:	422 West Riverside Ave., Suite 1100		
Address Line 4:	Spokane, WASHINGTON 99201		
ATTORNEY DOCKET NUMBER:	92980-20		
NAME OF SUBMITTER:	Jody M. McCormick		
Signature:	/jody mccormick/		
Date:	01/13/2006		

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Total Attachments: 12

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SECURITY AGREEMENT

This Security Agreement (this "Agreement") is made as of October 12, 2005, among On The Beat, Inc., a Massachusetts corporation, and On The Beat, LLC, a Delaware limited liability company (collectively, "Debtor"), and Wells Fargo Foothill, Inc., a California corporation ("Lender").

RECITALS

A. Debtor, Lender and others have entered into a Borrowing Agreement of even date (the "Borrowing Agreement") pursuant to which Lender has agreed to make a secured loan to Debtor.

B. Debtor is entering into this Agreement in order to secure Debtor's repayment obligations to Lender.

AGREEMENT

In consideration of the foregoing, Debtor hereby agrees as follows:

1. **Definitions.** Most of the capitalized terms used in this Agreement are defined in the Borrowing Agreement or other of the Loan Documents. Other capitalized terms are defined below:

Collateral shall mean all fixtures and all tangible and intangible personal property of Debtor, whether now owned or hereafter acquired by Debtor, or in which Debtor may now have or hereafter acquire an interest, and wherever located, including, without limitation:

All machinery, equipment, furnishings, audio, video, computer and other electronic equipment of every kind, tools, furniture, goods, whether now owned or hereafter acquired by Debtor or in which Debtor may now have or hereafter acquire an interest;

All accounts, accounts receivable, rights to payment, payment intangibles, other receivables of every kind, contract rights, contracts, franchise rights, licenses, licensing agreements, authorizations, entitlements, permits, leases, rents, security deposits, tangible and electronic chattel paper, promissory notes, commercial tort claims, insurance rights and benefits, and all general intangibles of Debtor (including, without limitation, goodwill and going concern value), whether now owned or hereafter acquired by Debtor or in which Debtor may now have or hereafter acquire an interest, including, without limitation, all instruments, documents of title, letters of credit, letter-of-credit rights, policies and certificates of insurance, securities, securities entitlements, investment property, partnership interests, membership interests in limited liability companies, bank

deposits, deposit accounts, checking accounts, certificates of deposit and cash, whether now owned or hereafter acquired by Debtor, or in which Debtor may now have or hereafter acquire an interest;

All inventory, including all merchandise, raw materials, work in process, finished goods and supplies, whether now owned or hereafter acquired by Debtor or in which Debtor may now have or hereafter acquire an interest;

All intellectual property of Borrower including, without limitation, all patents, trademarks, trade names, service marks, copyrights, blue prints, designs, websites, product lines and research and development and the goodwill and going concern value.

All books, records, documents, computer tapes and discs relating to all of the foregoing, whether now owned or hereafter acquired by Debtor, or in which Debtor may now have or hereafter acquire an interest;

All other property and assets of every type used or useful in connection with the ownership and operation of Debtor's business, whether now owned or hereafter acquired by Debtor, or in which Debtor may now have or hereafter acquire an interest; and

All replacements, substitutions, accessions, additions or improvements to, and all proceeds and products of, all of the foregoing, including proceeds of insurance, whether now owned or hereafter acquired by Debtor, or in which Debtor may now have or hereafter acquire an interest.

For avoidance of doubt it is expressly understood and agreed that, to the extent the UCC is revised subsequent to the date hereof such that the definition of any of the foregoing terms included in the description of Collateral is changed, the parties agree that any property which is included in such changed definitions which would not otherwise be included in the foregoing grant on the date hereof be included in such grant immediately upon the effective date of such revision, it being the intention of the parties hereto that the description of Collateral set forth herein be construed to include the broadest possible range of property and assets and all tangible and intangible personal property and fixtures of the Debtor of every kind and description.

Debtor shall mean On The Beat, Inc., a Massachusetts corporation, and its successors and assigns.

Lender shall mean Wells Fargo Foothill, Inc., a California corporation. Lender shall also mean any successor or assign of Lender.

Obligations shall mean: (i) the due and punctual payment of the Note; (ii) the due and punctual payment and performance of all obligations of Debtor contained herein; (iii) the due and punctual payment and performance of all indebtedness, obligations and liabilities of

Debtor, Pledgors, Guarantors and others contained in all other Loan Documents; and (iv) the payment and performance of all other indebtedness, liabilities and obligations of Debtor to Lender of every kind and whether direct, indirect or contingent, whether now existing or hereafter arising or incurred, due or to become due, whether otherwise secured or unsecured and howsoever evidenced, incurred or arising, including without limitation all future advances to Debtor.

Security Interest shall mean the security interest granted by Debtor to Lender pursuant to Section 2 hereof.

UCC shall mean the Article 9A of the Washington Uniform Commercial Code, RCW 62A.9A.101 et seq., as the same shall be amended or modified hereafter.

2. **Grant of Security Interest.** As security for the prompt payment and performance of the Obligations, Debtor grants to Lender a first priority, continuing security interest in, and hereby collaterally assigns to Lender, the Collateral. The Security Interest is granted as security only and shall not subject Lender to, or transfer to Lender, or in any way affect or modify, any obligation or liability of Debtor under any of the Collateral or any transaction which gave rise thereto.

3. **Perfection of Security Interest.**

3.1 *Filing.* Debtor will execute, deliver, file and record (in such manner and form as Lender may require), or permit Lender to file and record, any financing statements, continuation statements and amendments thereto, or this Agreement (which the parties hereto agree shall be sufficient as a financing statement hereunder), any specific assignments or other paper that may be necessary or desirable, or that Lender may request, in order to create, confirm, preserve, perfect or validate the Security Interest or to enable Lender to exercise and enforce its rights and remedies hereunder or under applicable law with respect to any of the Collateral. Debtor hereby appoints Lender as Debtor's attorney-in-fact to execute and file in the name and on behalf of Debtor such additional financing statements, continuation statements and amendments thereto as Lender may at any time request or require with respect to the Collateral.

3.2 *Control.* Debtor shall, at any time and from time to time, take such steps as Lender may request to permit Lender to (i) obtain an acknowledgement, in form and substance satisfactory to Lender, of any bailee having possession of any of the Collateral that the bailee holds such Collateral for the benefit of Lender, (ii) obtain "control" of any investment property, deposit accounts, letter-of-credit rights or electronic chattel paper with any agreements establishing control to be in form and substance satisfactory to Lender, and (iii) otherwise insure the continued perfection and priority of Lender's Security Interest in any of the Collateral and of the preservation of its rights therein.

3.3 *Possession.* Debtor shall deliver to Lender all tangible negotiable documents, instruments, tangible chattel paper and certificated securities in suitable form for transfer by

delivery, or shall be accompanied by duly executed instruments, transfers or assignments in blank, with signatures properly guaranteed, all in form and substance satisfactory to Lender.

3.4 *Power of Attorney.* To effectuate the foregoing, Debtor hereby grants to Lender the right and power to:

(a) file financing statements, continuation statements and amendments thereto that describe the Collateral as all assets of the Debtor or words of similar effect and which contain any other information required by Section 9A-501 *et seq.* of the UCC for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including whether Debtor is an organization, the type of organization and any organization identification number issued to Debtor. The Debtor agrees to furnish any such information to the Lender promptly upon request;

(b) file, in Debtor's name, one or more financing statements, continuation statements or other documents under the UCC (and the commercial code(s) of any other state in which Lender deems the filing of such documents to be necessary or desirable) covering the Collateral, and naming Debtor as "debtor" and Lender as a "secured party";

(c) correct and complete any financing statements, continuation statements or other documents that have been signed or filed by Debtor or Lender; and

(d) amend this Agreement for the purpose of reflecting any hereafter acquired Collateral.

4. **Representations, Warranties and Covenants.** Debtor represents, warrants and agrees that:

4.1 *Ownership and Custody of Collateral.* Except for the Permitted Liens, Debtor has good title, valid contract rights or a leasehold interest in or to the Collateral, free and clear of all liens and encumbrances, and will defend such title and Lender's interest therein. Debtor will indemnify and defend Lender, and hold it harmless from any loss or liability incurred by it in the defense of title. Debtor will maintain the tangible Collateral in good condition at all times, normal wear and tear and obsolescence excepted, and will not permit the Collateral to be wasted, damaged, destroyed or used in an unlawful or injurious manner. Exhibit A lists all patents, trademarks, trade names, service marks, copyrights and websites owned by or registered to Borrower.

4.2 *Protection of Collateral.* Debtor will keep the Collateral free and clear of all liens, security interests and encumbrances, excepting only the Permitted Liens, and shall keep the Collateral (other than inventory sold in the ordinary course of business or inventory in transit to a buyer) at the locations set forth in Exhibit A to this Agreement. Except for financing statements evidencing the Permitted Liens, no other financing statements, security agreements or other instruments naming the Debtor as "debtor" and affecting the Collateral exist or are on file

or are recorded in any public office. Without first obtaining the prior written consent of Lender, Debtor will not transfer or further encumber any part of the Collateral or any interest in the Collateral except for encumbrances that are otherwise Permitted Liens. Debtor will insure the Collateral against risk of damage, loss and destruction in accordance with the standards prescribed in the Borrowing Agreement, in such amounts and with such insurance company or companies as Lender may reasonably specify. Such insurance policies shall name Lender as an insured party, and shall provide that written notice of cancellation be delivered to Lender, at a minimum, 30 calendar days before cancellation. Debtor will immediately notify Lender of any event causing a substantial loss or diminution in the value of all or any material part of the Collateral and the amount or an estimate of the amount of such loss or diminution in value. Debtor shall deliver to Lender evidence of compliance with this provision. Debtor assumes all responsibility and liability arising from the use of the Collateral, and will indemnify and hold Lender, its officers, directors, agents, employees, attorneys', successors and assigns, harmless from any and all loss or damage to persons or property resulting from the use of the Collateral.

4.3 *Performance.* Debtor will perform promptly all of its Obligations.

4.4 *Name and Tradenames of Debtor.* Debtor's exact legal name is set forth in the Section 1 hereof. All of Debtor's tradenames are listed on Exhibit A hereto. No financing statements with respect to the Collateral have been filed under any other names except as those disclosed to Lender in this Section. Debtor will not change its name without the prior written consent of Lender.

4.5 *Location of Records and Collateral.* Debtor's principal place of business is listed on Exhibit A attached hereto. Debtor's records concerning the Collateral are kept at its place of business at such address, and the Collateral is currently located at such addresses and at the additional address(es) specified on Exhibit A hereto, which exhibit may be amended from time-to-time or at any time by Lender to reflect the address at which any hereafter acquired Collateral is located. Debtor will provide Lender, at least 30 days prior to occurrence, with written notice of (i) any change in the chief executive office of Debtor or the office where Debtor maintains its books and records pertaining to the Collateral, or (ii) the movement or location of Collateral to or at any address other than as set forth in Exhibit A.

4.6 *Access to Records.* Debtor will maintain full and accurate books of account, ledgers and other written records relating to the Collateral. Lender shall at all times have the right to inspect any of Debtor's records relating to the Collateral and the right to obtain copies of the records. Lender understands that such books and records may contain proprietary or confidential information, and agrees to use all reasonable efforts to maintain the proprietary or confidential nature of such information.

4.7 *Litigation.* Except as set forth in Schedule 6.18 of the Borrowing Agreement, no unsatisfied judgments, decrees or orders of any court or governmental body are outstanding against Debtor or against the Collateral. Except as set forth in Schedule 6.18 of the Borrowing Agreement, no proceedings are pending, nor has Debtor been threatened with the

institution of proceedings, before any court or governmental body which will materially and adversely affect the financial condition of Debtor or the status of the Collateral.

4.8 *Payment of Taxes and Indebtedness.* Debtor will promptly pay any and all taxes, assessments and governmental charges upon the Collateral prior to the date penalties are attached thereto, except to the extent that such taxes, assessments and charges shall be contested in good faith by Debtor and adequate reserves have been set aside. Therefore, Debtor will execute and deliver to Lender, upon demand, certificates attesting to the timely payment or deposit of the sums owed on all such liens, taxes, assessments or contributions. Debtor will fully comply with all terms and provisions of this Agreement and all other security instruments upon which it is obligated.

4.9 *Power to Undertake Agreement.* Debtor has the unqualified right and authority to enter into this Agreement and to perform its terms.

4.10 *No Impairment of Obligations.* Until the Note has been paid in full, Debtor will not make any agreement which is inconsistent with its Obligations, nor sell, lease or otherwise dispose of the Collateral other than inventory sold in the ordinary course of business, and other than property and equipment that is replaced with items of like or greater value and utility, unless Debtor has obtained the prior written consent of Lender. Lender may, as a condition of giving consent, require that all or part of the proceeds be applied to the Note as a prepayment. Until the Note has been paid in full, Debtor will not incur, create, assume or permit to exist any debt other than as may be permitted by the Borrowing Agreement.

4.11 *Inspection of Collateral.* Debtor grants to Lender the right to visit Debtor's premises and/or the locations described Exhibit A hereof, or any other place where the Collateral may be located, at reasonable times during regular business hours to inspect the Collateral.

4.12 *Compliance with Laws.* Debtor will not use any part of the Collateral in violation of any statute, ordinance or insurance policy covering such Collateral.

5. **Notice of Event of Default and Right to Cure.** Lender shall give Notice of any Event of Default to Debtor, and Debtor shall have the right to cure such Event of Default within the applicable Cure Period. If Debtor fails to cure the Event of Default within the applicable Cure Period, then Lender may pursue any and all remedies provided in this Agreement and in the other Loan Documents.

6. **Remedies on Default.** If an Event of Default shall have occurred and be continuing, Lender may take any of the following actions:

6.1 *Private/Public Sale.* Lender may exercise all the rights and remedies of a secured party under the UCC and, in addition, Lender may, without being required to give any Notice, except as herein provided or as may be required by mandatory provisions of law,

including provisions that require a secured party to act in a commercially reasonable manner, sell the Collateral, or any part thereof, at one or more public or private sales for cash, upon credit or for future delivery, and at such price or prices as Lender may deem appropriate. Notwithstanding anything to the contrary contained in this Agreement, Lender shall not be deemed to have accepted any Collateral in kind in lieu of cash in satisfaction and payment of the Obligations unless Lender expressly agrees to such acceptance in a written instrument executed by Lender. Any holder of an Obligation may be the purchaser of any or all of the Collateral so sold at any public sale (and, if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, at any private sale) and thereafter hold the same absolutely, free from any right or claim of whatsoever kind. Upon any such sale, Lender shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. Each purchaser at any such sale shall hold the Collateral so sold absolutely, free from any claim or right of any kind, including any equity or right of redemption of Debtor.

6.2 *Require Assembly of the Collateral.* Lender may require Debtor to assemble all or any part of the Collateral and make it available to Lender at a place to be designated by Lender which is convenient.

6.3 *Notice of Sale.* Unless the Collateral to be sold is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender shall give Debtor at least 10 days Notice of its intention to make any such public or private sale. Lender and Debtor agree that Notice constitutes "reasonable notification" within the meaning of the UCC. Lender shall not be obligated to make such sale pursuant to any such Notice. Lender 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 the sale, and such sale may be made at any time or place to which the same may be adjourned. In case of any sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by Lender until the selling price is paid by the purchaser thereof, but Lender shall not incur any liability in case of the failure of such purchaser to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may again be sold upon like Notice.

6.4 *Judicial Remedies.* Lender, instead of exercising the power of sale herein conferred upon them, may proceed by a suit or suits at law or in equity to foreclose the Security Interests and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction.

6.5 *Notification of Account Debtors.* Lender shall be entitled to notify the account debtors or obligors under any receivables of the assignment of such receivables to Lender, and to direct such account debtors or obligors to make payment of all amounts due or to become due to Debtor thereunder directly to Lender, or to a lockbox designated by Lender, and to enforce collection of any such receivables. After receipt by Debtor of the notice from Lender referred to in the preceding sentence, all amounts and proceeds (including instruments) received by Debtor in respect of the receivables shall be received in trust for the benefit of Lender, and

shall be forthwith paid over to Lender, in the same form as so received with any necessary endorsement to be held and applied as cash collateral.

6.6 *Rights to Possession and Use.* Lender shall have the right and power to enter into any premises where the Collateral is located and take possession of all or any part of the Collateral, and to exclude Debtor and all persons claiming under Debtor wholly or partly therefrom, and thereafter to hold, store, and/or use, operate, manage and control the same. Upon any such taking of possession, Lender may, from time to time, at the expense of Debtor, make all such repairs, replacements, alterations, additions and improvements to and of the Collateral as Lender may deem appropriate. In such case, Lender shall have the right to manage and control the Collateral and to carry on the business and to exercise all rights and powers of Debtor in respect thereto as Lender shall deem appropriate; and Lender shall be entitled to collect and receive all rents, issues, profits, fees, revenues and other income of the same and every part thereof. Such rents, issues, profits, fees, revenues and other income shall be applied to pay the expenses of holding and operating the Collateral and of conducting the business thereof, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which Lender may be required or may elect to make, if any, for taxes, assessments, insurance and other charges upon the Collateral or any part thereof, and all other payments which Lender may be required or authorized to make under any provision of this Agreement including, without limitation, legal costs and attorneys' fees. The remainder of such rents, issues, profits, fees, revenues and other income shall be applied to the payment of the Obligations in such order or priority as Lender shall determine (subject to the provisions hereof) and, unless otherwise provided by law or by a court of competent jurisdiction, any surplus shall be paid over to Debtor. In addition, Lender is entitled, but shall not be obligated, without notice to or demand upon Debtor, to have a receiver appointed to exercise all of the foregoing rights.

6.7 *Power of Attorney.* Debtor hereby irrevocably appoints Lender to be Debtor's true and lawful attorney, with full power of substitution, in the name of Debtor, Lender or otherwise, for the sole use and benefit of Lender, but at Debtor's expense, to the extent permitted by law to exercise, at any time and from time to time after any uncured Event of Default has occurred, all or any of the following powers with respect to all or any of the Collateral (which power shall be in addition and supplemental to any powers, rights and remedies of Lender described herein or otherwise available to Lender under applicable law):

- (i) to demand, sue for, collect, receive and give acquaintance for any and all moneys due or to become due upon or by virtue thereof;
- (ii) to receive, take, endorse, assign and deliver any and all checks, notes, drafts, documents and other negotiable and non-negotiable instruments and chattel paper taken or received by Lender in connection therewith;
- (iii) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto;

(iv) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof or any related goods securing Debtor's account receivables, as fully and effectually as if Lender were the absolute owner thereof;

(v) to extend the time of payment of any or all of Debtor's account receivables thereof and to make any allowance and other adjustments with reference thereto;

(vi) to discharge any taxes, liens, security interests or other encumbrances at any time placed thereon; and

(vii) to make and execute all conveyances, assignments and transfers of any Collateral sold in accordance with this Agreement.

6.8 *Remedies Cumulative.* All rights and remedies contained herein shall be separate and cumulative and in addition to all other rights and remedies available to a secured party under applicable law, and the exercise of one shall not in any way limit or prejudice the exercise of any other such rights or remedies.

7. **Lender Not an Owner or Manager.** Notwithstanding anything herein contained to the contrary, Debtor's execution and delivery of this Agreement and any related agreements does not and will not constitute, create, or have the effect of constituting or creating, directly or indirectly, actual or practical ownership of Debtor by Lender, or control, affirmative or negative, direct or indirect, by Lender over the management or any other aspect of the operation of Debtor or any of its properties.

8. **Termination of Security Agreement.** At such time as Debtor shall completely satisfy all of the Obligations and Lender shall not be under any further obligation to make advances under the Loan, this Agreement shall terminate. At that time, Lender shall release Lender's interests in the Collateral, which shall include the filing of termination statements under the UCC or return to Debtor of all Collateral in the possession of Lender.

9. **Debtor's Waivers.** Debtor hereby waives (a) any defense based upon any lack of authority of the officers, directors, partners or agents acting or purporting to act on behalf of Debtor or any principal thereof or any defect in the formation of Debtor; (b) any defense based upon the application by Debtor of the proceeds of the Loan for purposes other than the purposes represented by Debtor to Lender or intended or understood by Lender or Debtor; (c) all rights and defenses arising out of an election of remedies by the Lender; (d) any rights and defenses based upon any borrowing or any grant of a security interest under Section 364 of the Bankruptcy Code; (e) any rights and defenses based upon any waiver by Lender of its rights, powers or remedies under the Loan Documents or any delay by Lender in exercising the same; (f) presentment, demand, protest and Notice of any kind, including, without limitation, Notice of default, and any defenses relating thereto arising under applicable law; (g) any rights and defenses based on the fair value limitations of applicable law; (h) any rights and defenses based on any transfer of all or part of any security for the Loan to Lender by deed in lieu of foreclosure;

(i) any rights and defenses based on release of any guarantor, surety, collateral or other security for the loan; and (j) any principle or provision of law, statutory or otherwise, which is or might be in conflict with the terms and provisions of this Agreement. Debtor hereby agree that the payment of all sums payable under the Note and the other Loan Documents or any part thereof or other act which tolls any statute of limitations applicable to the Note and the other Loan Documents shall similarly operate to toll the statute of limitations applicable to Debtor's liability hereunder.

10. **Further Assurances.** Each party agrees to take any additional actions and to make, execute, obtain and deliver any additional written instruments that may be reasonably required to carry out the terms, provisions, intentions and purposes of this Agreement.

11. **Miscellaneous Provisions.**

11.1 *Modifications.* This Agreement may not be changed orally. For a modification of this Agreement to be effective, it must be in writing and have been signed by Debtor and Lender.

11.2 *Assignability.* This Agreement may be assigned by Lender, in whole or in part and in its sole discretion, upon Notice to Debtor but without the consent or approval of Debtor. This Agreement may not be assigned by Debtor, either directly or indirectly, in whole or in part, without the prior written consent of Lender. This Agreement and the duties set forth herein shall bind Debtor and its successors and assigns. All rights and powers established in this Agreement shall benefit Lender and its successors and assigns.

11.3 *Headings.* Section and subsection headings used in this Agreement are included for convenience and ease of reference only and shall not in any manner influence the construction or interpretation of any provision of this Agreement or be given any substantive effect.

11.4 *Waiver.* No right or obligation under this Agreement will be deemed to have been waived unless evidenced by a writing signed by the party against whom the waiver is asserted, or by the party's duly authorized representative. Any waiver will be effective only with respect to the specific instance involved, and will not impair or limit the right of the waiving party to insist upon strict performance or the right or obligation in any other instance, in any other respect, or at any other time. No failure on the part of Lender to exercise, and no delay in exercising any right or obligation under this Agreement shall operate as a waiver thereof.

11.5 *Invalid Provision.* If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable. This Agreement shall be construed and enforced as if such illegal or otherwise unenforceable provision had never comprised a part hereof. The remaining provisions of this Agreement shall remain in full force and effect and shall not be affected. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added

automatically as part of this Agreement a legal, valid and enforceable provision as similar in terms and intent to such illegal, invalid or unenforceable provision as may be legally possible.

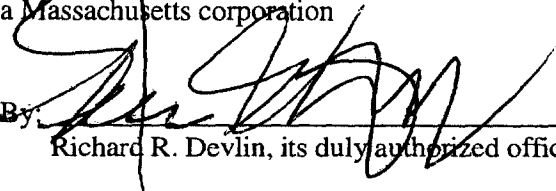
11.6 *Attorneys' Fees.* If any litigation or other dispute resolution proceeding is commenced between Lender or Debtor to enforce or determine the rights or responsibilities of Lender or Debtor, the prevailing party or parties in the proceeding will be entitled to receive, in addition to any other relief granted, its reasonable attorneys' fees, expenses and costs. Such fees, expenses and costs shall include all statutory costs and disbursements, all costs associated with discovery depositions and expert witness fees, and all out-of-pocket costs incurred by the prevailing party in the prosecution or defense of the action. For purposes of this section, the phrase "litigation or other dispute resolution" shall be deemed to include any proceeding commenced in any court of general or limited jurisdiction, any arbitration or mediation, any proceeding commenced in the bankruptcy courts of the United States, and any appeal from any of the foregoing.

11.7 *Governing Law and Venue; Waiver of Jury Trial.* This Agreement is made in accordance with, and shall be interpreted and enforced pursuant to, the laws of the State of Washington, including the UCC, and the federal laws of the United States of America. If any action or other proceeding shall be brought by Debtor in connection with this Agreement, the venue of such action shall be in Spokane County, Washington. If any action or other proceeding shall be brought by Lender in connection with this Agreement, the venue of such action shall be in Spokane County, Washington or in such other jurisdiction for which venue is proper under applicable law. Debtor hereby consents to the personal jurisdiction of the Superior Court of Spokane County and the United States District Court for the Eastern District of Washington. **DEBTOR HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY AS TO ANY ISSUE ARISING OUT OF THIS AGREEMENT.**

Executed and delivered as of the date first above written.

DEBTOR:

ON THE BEAT, INC.,
a Massachusetts corporation

By: 
Richard R. Devlin, its duly authorized officer

ON THE BEAT, LLC,
a Delaware limited liability company

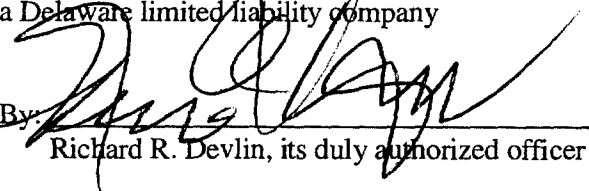
By: 
Richard R. Devlin, its duly authorized officer

Exhibit A to Security Agreement

Debtor's Trademarks: American Police Beat and Design
Application No. _____

Debtor's Trade Names: American Police Beat (apbweb.com)

Debtor's Websites: www.apbweb.com

Debtor's Principal Place of Business:
1 Brattle Square, 4th Floor, Cambridge Massachusetts 02138

Additional Locations of the Collateral: None