



02-10-2003

Form PTO-1054 (Rev. 03/01) RI
OMB No. 0651-0027 (exp. 5/31/2002)



U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office
Docket No. 51270-4

Tab settings

102361669

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

2-5-03

Mercator Software, Inc.

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

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

2. Name and address of receiving party(ies)

Name: Foothill Capital Corporation

Internal Address: _____

Street Address: One Boston Place

City: Boston State: MA Zip: 02108

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State of California
- Other _____

if assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other

Execution Date: December 24, 2002

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) 75/379,849

B. Trademark Registration No.(s) 1,622,107

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Deborah L. Fine
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, New York 10104

6. Total number of applications and registrations involved: 26

7. Total fee (37 CR 3.41) \$665.00

- Enclosed
- Authorized to be charged to deposit account any additional fee or to be credited to deposit account any overpayment

8. Deposit account number:

03-1952

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

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

Hsiao-Ting Cheng
Name of Person Signing

Signature

February 5, 2003
Date

Total number of pages including cover sheet, attachments, and document: 29

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

02/10/2003 ECOOPER 00000067 75379849

01 FC:0321
02 FC:0522

40.00 DP
625.00 DP

Mark	Serial No.	Filing Date	Reg. No.	Reg. Date	Status
M-SHAPED PAPER AIRPLANE DESIGN	75/896,266	2000/01/13	2,503,016	2001/10/30	Registered
M-SHAPED PAPER AIRPLANE DESIGN	75/896,265	2000/01/13	2,499,048	2001/10/16	Registered
MYMERCATOR	76/349,584	2001/12/18			Pending
MYMERCATOR.COM	76/349,585	2001/12/18			Pending
NOVERA EPIC	75/197,621	1996/11/14	2,168,474	1998/06/23	Registered
NOVERA	75/118,134	1996/06/13	2,120,543	1997/12/09	Registered
INTEGRATION BROKER	76/310,869	2001/09/10			Pending/Allowed
INTEGRATION BROKER	76/310,870	2001/09/10			Pending/Allowed
INTEGRATION BROKER	76/310,871	2001/09/10			Pending/Allowed
BRAID	74/096,172	1990/09/12	1,700,242	1992/07/14	Registered
BRAID (Stylized)	73/496,406	1984/08/24	1,384,055	1986/02/25	Registered

Mark	Serial No.	Filing Date	Reg. No.	Reg. Date	Status
TSI (BLOCK LETTERS)	73/591,175	1986/04/02	1,622,107	1990/11/13	Registered
KEY/MASTER	73/062,738	1975/09/11	1,054,242	1976/12/14	Registered
TRADING PARTNER	74/011,828	1989/12/18	1,660,560	1991/10/15	Registered
EASYPATH	74/369,220	1993/03/19	1,847,603	1994/08/02	Registered
EASYLOGIC	74/060,535	1990/05/18	1,644,296	1991/05/14	Registered
TRANSLATE	73/630,402	1986/11/14	1,475,704	1988/02/09	Registered
TRADING PARTNER	74/009,319	1989/12/11	1,615,543	1990/10/02	Registered
MERCATOR (Class 9)	74/229,939	1991/12/13	1,829,798	1994/04/05	Registered
MERCATOR (Class 9)	75/496,348	1998/06/04	2,281,097	1999/09/28	Registered
MERCATOR (Class 42)	75/513,974	1998/07/06	2,274,277	1999/08/31	Registered
MERCATOR (Class 41)	75/515,072	1998/07/08	2,274,290	1999/08/31	Registered
TSI SOFT and Design	75/152,032	1996/08/19	2,221,935	1999/02/02	Registered
TSI SOFT and Design	75/379,849	1997/10/27			Pending
BUSINESSLINK	75/332,021	1997/07/28	2,193,582	1998/10/06	Registered
M-SHAPED PAPER AIRPLANE DESIGN	75/896,267	2000/01/13			Pending

TRADEMARK SECURITY AGREEMENT (the "Agreement"), dated December 24, 2002, made by the Person listed on the signature page hereof under the caption "Grantor" (the "Grantor"), to FOOTHILL CAPITAL CORPORATION ("Foothill"), as agent (the "Agent") for the lenders (the "Lenders") pursuant to the Loan and Security Agreement (as hereinafter defined).

PRELIMINARY STATEMENTS.

(1) The Lenders, as lenders, and Foothill, as the arranger and administrative agent for the Lenders, have entered into a Loan and Security Agreement dated as of December 24, 2002 (said agreement, as it may hereafter be amended or otherwise modified from time to time, being the "Loan and Security Agreement", the terms defined therein and not otherwise defined herein being used herein as therein defined), with Mercator Software, Inc., a Delaware corporation, and Mercator Software Limited, a company incorporated under the laws of England and Wales, as borrowers.

(2) It is a condition precedent to the making of the initial Advance and Term Loan by the Lenders under the Loan and Security Agreement (or any other extension of credit provided for thereunder) that the Grantor shall have granted the assignment and security interest and made the pledge and assignment contemplated by the Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Lenders to make the initial Advance and Term Loan (or otherwise extend credit) under the Loan and Security Agreement, the Grantor hereby agrees with the Agent for its benefit and the ratable benefit of the Lenders as follows:

SECTION 1. Grant of Security. The Grantor hereby assigns, pledges and grants to the Agent for its benefit and the ratable benefit of the Lenders a security interest in, all of the Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired (collectively, the "Trademark Collateral"):

(a) all trademarks, service marks, trade names, trade dress or other indicia of trade origin, trademark and service mark registrations, and applications for trademark or service mark registrations (except for "intent to use" applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, unless and until an Amendment to Allege Use or a Statement of Use under Sections 1(c) and 1(d) of said Act has been filed), and any renewals thereof, including, without limitation, each registration and application identified in Schedule I attached hereto and made a part hereof (which the Grantor may amend from time to time, provided that notice and copies thereof are promptly provided to the Agent), and including without limitation (i) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (ii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past or future infringements thereof), and (iii) all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto, together in each case with the goodwill of the business

connected with the use of, and symbolized by, each such trademark, service mark, trade name, trade dress or other indicia of trade origin (collectively, the "Trademarks"); and

(b) all license agreements with any other Person in connection with any of the Trademarks or such other Person's names or marks, whether the Grantor is a licensor or licensee under any such license agreement, including, without limitation, the license agreements listed on Schedule II attached hereto and made a part hereof, subject, in each case, to the terms of such license agreements, including, without limitation, terms requiring consent to a grant of a security interest, and any right to prepare for sale, sell and advertise for sale, all Inventory (as defined in the Loan and Security Agreement) now or hereafter owned by the Grantor and now or hereafter covered by such licenses (collectively, the "Licenses").

SECTION 2. Security for Obligations. The assignment, pledge and grant of a security interest in the Trademark Collateral by the Grantor pursuant to the Agreement secures the payment of all obligations of the Grantor now or hereafter existing under the Loan Documents, if any, whether for principal, interest, fees, expenses or otherwise (all such obligations being the "Secured Obligations"). Without limiting the generality of the foregoing, the Agreement secures the payment of all amounts that constitute part of the Secured Obligations and would be owed by the Grantor to the Lender Group under the Loan Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving Agent, any Lender or the Grantor.

SECTION 3. The Grantor Remains Liable. Anything herein to the contrary notwithstanding, (a) the Grantor shall remain liable under the contracts and agreements included in the Trademark Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if the Agreement had not been executed, (b) the exercise by the Agent of any of the rights hereunder shall not release the Grantor from any of its duties or obligations under the contracts and agreements included in the Trademark Collateral and (c) neither the Agent nor the Lenders shall have any obligation or liability under the contracts and agreements included in the Trademark Collateral by reason of the Agreement, nor shall the Agent nor any Lender be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 4. Representations and Warranties. The Grantor represents and warrants as to itself and its Trademark Collateral as follows:

(a) The Grantor is the sole, legal and beneficial owner of the entire right, title and interest in and to the trademark registrations and applications for registration set forth in Schedule I hereto as being the property of the Grantor free and clear of any Lien, except for the security interest created by the Agreement and Permitted Liens. No security agreement, effective financing statement or other instrument similar in effect covering all or any part of the Trademark Collateral, that has not been terminated or released, is on file in any recording office in any jurisdiction in which Trademarks are used (including, without limitation, the U.S. Patent and Trademark Office), except such as may have been filed in favor of the Agent relating to the Agreement or any other Loan Document, and the Grantor has not consented to the filing of financing or continuation statements covering all or any part of the Trademark Collateral under

the Uniform Commercial Code or any other applicable procedure, regulation or law of any foreign jurisdiction in which Trademarks are used, or the filing of any other document or notice similar in effect (which has not been released or terminated) with the U.S. Patent and Trademark Office or any of its counterpart agencies in foreign jurisdictions in which Trademarks are used.

(b) Set forth in Schedule I is a complete and accurate list of the material trademark registrations and applications for registration owned by the Grantor. The Grantor has made all necessary filings and recordations to protect and maintain its interest in the trademark registrations and applications for registration set forth in Schedule I, including, without limitation, all necessary filings and recordings in the U.S. Patent and Trademark Office and all of its counterpart agencies in foreign jurisdictions in which Trademarks are used. Set forth in Schedule II is a complete and accurate list of the material Licenses owned by the Grantor in which the Grantor is (i) a licensor or (ii) a licensee.

(c) Each trademark registration and application for registration of the Grantor set forth in Schedule I, is subsisting and has not been adjudged invalid, unregistrable or unenforceable in whole or in part, and, to the best of the Grantor's knowledge, is valid, registrable and enforceable. Each License of the Grantor identified in Schedule II is validly subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and to the best of the Grantor's knowledge, is valid and enforceable. The Grantor has notified the Agent in writing of all uses of any item of Trademark Collateral of which the Grantor is aware which could reasonably be expected to lead to such item becoming invalid or unenforceable, including unauthorized uses by third parties and uses which were not supported by the goodwill of the business connected with such Trademark Collateral, other than any such uses that would not cause or result in a Material Adverse Change.

(d) The Grantor has not made a previous assignment, sale, transfer or agreement constituting a present or future assignment, sale, transfer or encumbrance of any of the Trademark Collateral that has not been terminated or released. The Grantor has not granted any license (other than those listed on Schedule II hereto), release, covenant not to sue, or non-assertion assurance to any Person with respect to any part of the Trademark Collateral so as to cause or result in a Material Adverse Change.

(e) No consent of any other Person and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or other third party is required either (A) for the grant by the Grantor of the assignment and security interest granted hereby or for the execution, delivery or performance of the Agreement by the Grantor, (B) for the perfection or maintenance of the pledge, assignment and security interest created hereby (including the first priority nature of such pledge, assignment or security interest), except for the filing of financing and continuation statements under the Uniform Commercial Code and any other applicable procedure, regulation or law of foreign jurisdictions in which Trademarks are used, and the filing with the U.S. Patent and Trademark Office and any of its counterpart agencies in foreign jurisdictions in which Trademarks are used of any other document or notice of similar effect, which financing statements, filings and other documents have been duly filed, or (C) for the exercise by the Agent of its rights provided for in the Agreement or the remedies in respect of the Trademark Collateral pursuant to the Agreement.

(f) Except for the licenses listed on Schedule II hereto, the Grantor has no knowledge of the existence of any right or any claim that is likely to be made under any item of Trademark Collateral contained on Schedule I.

(g) No claim has been made and is continuing or threatened that the use by the Grantor of any item of Trademark Collateral is invalid or unenforceable or that the use by the Grantor of any Trademark Collateral does or may violate the rights of any Person, other than any such claim which would not cause or result in a Material Adverse Change. To the best of the Grantor's knowledge, there is currently no infringement or unauthorized use of any material item of Trademark Collateral contained on Schedule I.

(h) The Grantor uses consistent standards of quality in all material respects in the manufacture, distribution and sale of all products sold and provision of all services provided under or in connection with any item of Trademark Collateral contained on Schedule I and has taken all steps necessary to ensure that all licensed users of any item of Trademark Collateral contained on Schedule I use such consistent standards of quality.

(i) The Grantor has no knowledge of the existence of any trademark or license agreement held or claimed by any other Person that would preclude the Grantor from distributing, marketing, selling or providing any product or service currently distributed, marketed, sold or provided by it, as the case may be, under or in connection with any of the Trademark Collateral (except, in each case, to the extent that the Grantor has granted an exclusive license to another Person as set forth in Schedule II), or that would interfere with the ability of the Grantor to carry on its business as currently carried on, and the Grantor has no knowledge of any claim that would preclude or interfere with the business of the Grantor as currently carried on under any of the Trademark Collateral, other than any such trademark, license agreement or claim that would not cause or result in a Material Adverse Change.

SECTION 5. Further Assurances. (a) The Grantor shall from time to time, at its expense, promptly execute and deliver all further instruments and documents, and take all further action that may be necessary or desirable, or that the Agent may reasonably request, in order to perfect and protect any pledge, assignment or security interest granted or purported to be granted hereby or to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any part of the Trademark Collateral. Without limiting the generality of the foregoing, the Grantor will execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as Agent, in its Permitted Discretion, deems necessary or desirable, in order to perfect and preserve the pledge, assignment and security interest granted or purported to be granted hereby.

(b) The Grantor hereby authorizes the Agent to file one or more financing or continuation statements, and amendments thereto (including, without limitation, the U.S. Patent and Trademark Office and its counterpart agencies in all foreign jurisdictions in which Trademarks are used), relating to all or any part of the Trademark Collateral without the signature of the Grantor where permitted by law. A photocopy or other reproduction of the Agreement or any financing statement covering the Trademark Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) The Grantor will furnish to the Agent from time to time statements and schedules further identifying and describing the Trademark Collateral and such other reports in connection with the Trademark Collateral as the Agent may reasonably request, all in reasonable detail.

(d) The Grantor agrees that, should it obtain an ownership or any other interest in any trademark, service mark, trade name, trade dress, other indicia of trade origin, trademark or service mark registration, or application for trademark or service mark registration, or license, which is not now a part of the Trademark Collateral, (i) the provisions of Section 1 shall automatically apply thereto, (ii) any such trademark, service mark, trade name, trade dress, indicia of trade origin, trademark or service mark registration or application for trademark or service mark registration, together with the goodwill of the business connected with the use of same and symbolized by same, or license, shall automatically become part of the Trademark Collateral, and (iii) with respect to any ownership or other interest in any trademark or service mark registration or license, or application for trademark or service mark registration that the Grantor should obtain, it shall give prompt written notice thereof to the Agent in accordance with Section 13 hereof. The Grantor authorizes the Agent to modify the Agreement by amending Schedules I and II (and will cooperate reasonably with the Agent in effecting any such amendment) to include any trademark or service mark registration or application for trademark or service mark registration, or License, which becomes part of the Trademark Collateral under this Section.

(e) With respect to each material trademark or service mark registration, application for trademark or service mark registration, and License to which it is now or later becomes entitled, the Grantor agrees, subject to the last sentence of this subsection, to take all necessary steps, including, without limitation, in the U.S. Patent and Trademark Office (and its counterpart agencies in foreign jurisdictions in which Trademarks are used) or in any court, to (i) maintain each such trademark or service mark registration, application for trademark or service mark registration, and License, and (ii) pursue each such application for trademark or service mark registration, now or hereafter included in the Trademark Collateral, including, without limitation, the filing of responses to office actions issued by the U.S. Patent and Trademark Office and its counterpart agencies in foreign jurisdictions in which Trademarks are used, the filing of applications for renewal, the filing of affidavits under Sections 8 and 15 of the United States Trademark Act, and the participation in opposition, cancellation and infringement and misappropriation proceedings in the United States and any foreign jurisdictions in which Trademarks are used. Any expenses incurred in connection with such activities shall be borne by the Grantor. The Grantor shall not discontinue use of or otherwise abandon any trademark or service mark, or abandon any right to file an application for registration thereof, or abandon any pending application for registration or registration of any trademark or service mark, unless the Grantor shall have previously determined that such use or the pursuit or maintenance of such application or registration is no longer desirable in the conduct of the Grantor's business and that the loss thereof will not cause or result in a Material Adverse Change, in which case, the Grantor will give notice of any such abandonment to the Agent pursuant to the terms of Section 13 hereof.

(f) The Grantor agrees to notify the Agent promptly in writing if it learns (i) that any material item of the Trademark Collateral contained on Schedule I may be

determined to have become abandoned or dedicated or (ii) of any adverse determination or the institution of any proceeding (including, without limitation, the institution of any proceeding in the U.S. Patent and Trademark Office or any of its counterpart agencies in foreign jurisdictions in which Trademarks are used, or any court) regarding any of the Trademark Collateral that would cause or result in a Material Adverse Change.

(g) In the event that the Grantor becomes aware that any item of the Trademark Collateral is infringed or misappropriated by a third party, the Grantor shall promptly notify the Agent and shall take such actions as the Grantor or the Agent reasonably deems appropriate under the circumstances to protect such Trademark Collateral, including without limitation, suing for infringement or misappropriation and for an injunction against such infringement or misappropriation, unless any such infringement or misappropriation would not cause or result in a Material Adverse Change. Any expense incurred in connection with such activities shall be borne by the Grantor.

(h) The Grantor shall to the extent it deems reasonable in its best business judgment use proper statutory notice or other proper notice designation in connection with its use of each of the trademarks and service marks contained in Schedule I, in accordance with the applicable procedure, regulation or law of each applicable jurisdiction.

(i) The Grantor shall take all steps which it or the Agent deems appropriate under the circumstances to preserve and protect its Trademark Collateral, including, without limitation, maintaining the quality of any and all products or services used or provided in connection with the Trademark Collateral, consistent with the quality and services as of the date hereof, and taking all necessary steps to ensure that all licensed users of any of said Trademark Collateral use consistent standards of quality.

SECTION 6. Transfers and Other Liens. The Grantor shall not, (a) except with respect to Permitted Dispositions, sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any item of the Trademark Collateral, or (b) create or suffer to exist any Lien upon or with respect to any of the Trademark Collateral except for the pledge, assignment, and security interest created by the Agreement or Permitted Liens.

SECTION 7. The Agent Appointed Attorney-in-Fact. The Grantor hereby irrevocably appoints the Agent the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Agent's discretion after the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument that the Agent may deem necessary or advisable to accomplish the purposes of the Agreement, including, without limitation:

(a) to ask for, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Trademark Collateral,

(b) to receive, indorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above, and

(c) to file any claims or take any action or institute any proceedings that the Agent may deem necessary or desirable for the collection of any payments relating to any of the Trademark Collateral or otherwise to enforce the rights of the Agent with respect to any of the Trademark Collateral.

To the extent permitted by law, the Grantor hereby ratifies all that the Agent shall lawfully do or cause to be done as attorney-in-fact for the Grantor. This power of attorney is a power coupled with an interest and is irrevocable.

SECTION 8. The Agent May Perform. If the Grantor fails to perform any agreement contained herein, the Agent may itself perform, or cause performance of, such agreement after reasonable notice to the Grantor to the extent practicable, and the expenses of the Agent incurred in connection therewith shall be payable by the Grantor under Section 11.

SECTION 9. The Agent's Duties. The powers conferred on the Agent hereunder are solely to protect its interest in the Trademark Collateral and shall not impose any duty upon the Agent to exercise any such powers. Except for the safe custody of any Trademark Collateral in its possession and the accounting for any moneys actually received by it hereunder, the Agent shall have no duty as to any Trademark Collateral or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Trademark Collateral. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Trademark Collateral in its possession if such Trademark Collateral is accorded treatment substantially equal to that which the Agent accords its own property.

SECTION 10. Remedies. If any Event of Default shall have occurred and be continuing and if the Agent has taken or is taking remedial actions in respect of the Collateral that is Inventory or Accounts:

(a) The Agent may exercise in respect of the Trademark Collateral, in addition to other rights and remedies provided for herein or otherwise available to it and to the fullest extent permitted by law, all the rights and remedies of a secured party upon default under the Uniform Commercial Code in effect in the State of New York at such time (the "N.Y. Uniform Commercial Code") (whether or not the N.Y. Uniform Commercial Code applies to the affected Trademark Collateral) and also may (i) require the Grantor to, and the Grantor hereby agrees that it will at its expense and upon request of the Agent forthwith, assemble all or part of the documents and things embodying the Trademark Collateral as directed by the Agent and make them available to the Agent at a place to be designated by the Agent that is reasonably convenient to both parties, (ii) occupy any premises owned or leased by the Grantor, subject to Section 9.1(f) of the Loan and Security Agreement, where documents and things embodying the Trademark Collateral or any part thereof are assembled for a reasonable period in order to effectuate the Agent's rights and remedies hereunder or under law, without obligation to the Grantor in respect of such occupation, and (iii) without notice except as specified below, sell the Trademark Collateral or any part thereof in one or more parcels at public or private sale, at any of the Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Agent may deem commercially reasonable. In the event of any sale, assignment, or other disposition of any of the Trademark Collateral, the goodwill of the business connected with and symbolized by any Trademark Collateral subject to such disposition shall be included, and

the Grantor shall supply to the Agent or its designee the Grantor's know-how and expertise, and documents and things embodying the same, relating to the manufacture, distribution, advertising and sale of products or the provision of services relating to any Trademark Collateral subject to such disposition, and the Grantor's customer lists and other records and documents relating to such Trademark Collateral and to the manufacture, distribution, advertising and sale of such products and services. The Grantor agrees that, to the extent notice of sale shall be required by applicable law, at least ten (10) days' notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Agent shall not be obligated to make any sale of Trademark Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All cash proceeds received by the Agent in respect of any sale of, collection from, or other realization upon all or any part of the Trademark Collateral may, in the discretion of the Agent, be held by the Agent as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Agent pursuant to Section 11) in whole or in part by the Agent for the ratable benefit of the Lenders against, all or any part of the Secured Obligations in accordance with Section 2.4 of the Loan and Security Agreement. Any surplus of such cash or cash proceeds held by the Agent and remaining after payment in full of all the Secured Obligations shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive such surplus.

(c) The Agent may exercise any and all rights and remedies of the Grantor under or otherwise in respect of the Trademark Collateral.

(d) All payments received by the Grantor under or in connection with any of the Trademark Collateral shall be received in trust for the benefit of the Agent, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Agent in the same form as so received (with any necessary endorsement).

SECTION 11. Indemnity and Expenses. (a) The Grantor agrees to indemnify the Agent-Related Persons, the Lender-Related Persons and the Participants (each, an "Indemnified Party") from and against any and all claims, losses and liabilities arising out of or resulting from the Agreement (including, without limitation, enforcement of the Agreement), except claims, losses or liabilities resulting from an Indemnified Party's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

(b) The Grantor will upon demand pay to the Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, that the Agent may incur in connection with (i) the administration of the Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Trademark Collateral, (iii) the exercise or enforcement of any of the rights of the Agent or the Lenders hereunder or (iv) the failure by the Grantor to perform or observe any of the provisions hereof.

SECTION 12. Amendments, Waivers, Etc. No amendment or waiver of any provision of the Agreement, and no consent to any departure by the Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Agent and, in the case of an amendment, by the Grantor and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of the Agent to exercise, and no delay in exercising any right hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

SECTION 13. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing (including telecopier, telegraphic, telex or cable communication), and mailed, telegraphed, telecopied, telexed, cabled or delivered to the Grantor, addressed to it at its address specified in the Loan and Security Agreement, or to the Agent, addressed to it at its address specified in the Loan and Security Agreement or, as to any party, at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section 13. All such notices and other communications shall, when mailed, telecopied, telegraphed, telexed or cabled, respectively, be effective when deposited in the mails, telecopied, delivered to the telegraph company, confirmed by telex answerback, or delivered to the cable company, respectively, addressed as aforesaid.

SECTION 14. Continuing Security Interest; Assignments Under the Loan and Security Agreement. The Agreement shall create a continuing security interest in the Trademark Collateral and shall (a) remain in full force and effect until the later of the payment in full in cash of all of the Secured Obligations and the effective date of termination or expiration of the Loan and Security Agreement, (b) be binding upon the Grantor, its successors and assigns and (c) inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent, the Lenders and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), the Agent and any Lender may assign or otherwise transfer all or any portion of its rights and obligations under the Loan and Security Agreement, to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Agent or such Lender herein or otherwise, in each case as provided in Section 14 of the Loan and Security Agreement.

SECTION 15. Release and Termination. (a) Upon any sale, lease, transfer or other disposition of any item of Trademark Collateral in accordance with the terms of the Loan Documents (other than sales of Inventory in the ordinary course of business), the Agent will, at the Grantor's expense, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence the release of such item of Trademark Collateral from the assignment and security interest granted hereby; provided, however, that (i) at the time of such request and such release and after giving effect thereto no Default shall have occurred and be continuing, (ii) the Grantor shall have delivered to the Agent, at least ten (10) Business Days prior to the date of the proposed release, a written request for release describing the item of the Trademark Collateral and the terms of the sale, lease, transfer or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a form of release for execution by the Agent and a certification by the Grantor to the effect that the transaction is in compliance with the Loan Documents and as to such other matters as the Agent may request and (iii) the proceeds of any such sale, lease, transfer or other disposition required to

be applied in accordance with Section 2.4 of the Loan and Security Agreement shall be paid to, or in accordance with the instructions of, the Agent at the closing.

(b) Upon the later of the payment in full in cash of all of the Secured Obligations and the effective date of termination or expiration of the Loan and Security Agreement, the pledge, assignment, and security interest granted hereby shall terminate and all rights to the Trademark Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof shall revert to the Grantor. Upon any such termination, the Agent will, at the Grantor's expense, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 16. Governing Law; Terms. THE AGREEMENT SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK (INCLUDING GIVING EFFECT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW), EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR TRADEMARK COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK. Unless otherwise defined herein or in the Loan and Security Agreement, terms used in Article 9 of the N.Y. Uniform Commercial Code are used herein as therein defined.

SECTION 17. Consent to Jurisdiction. The Grantor agrees that any suit for the enforcement of the Agreement shall be tried and litigated only in the state and federal courts located in the County of New York, State of New York, provided, however, that any suit seeking enforcement against any collateral or other property may be brought, at Agent's option, in the courts of any jurisdiction where Agent elects to bring such action or where such collateral or other property may be found. The Grantor waives, to the extent permitted under applicable law, any right it may have to assert the *doctrine of forum non conveniens* or to object to the venue (to the extent any proceeding is brought in accordance with the terms of the Loan and Security Agreement and the Agreement).

SECTION 18. Waiver of Jury Trial. The Grantor hereby irrevocably waives all rights to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to the Agreement, the transactions contemplated hereby or the actions of the Agent or any Lender in the negotiation, administration, performance or enforcement hereof.

SECTION 19. Severability. Any provision of the Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 20. Section Headings. The section headings used in the Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

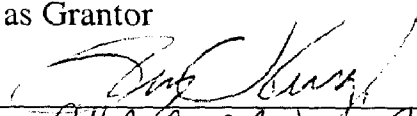
[Signature Page to follow]

IN WITNESS WHEREOF, the Grantor has caused the Agreement to be duly executed and delivered by its officers thereunto duly authorized as of the date first above written.

GRANTOR:

MERCATOR SOFTWARE, INC., a Delaware corporation, as Grantor

By:
Title:



CHAIRMAN & CEO

Agreed and consented to as of
the date first above written:

FOOTHILL CAPITAL CORPORATION, a California corporation, as Agent

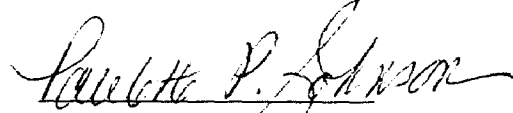
By: _____
Title: _____

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 27th day of December, 2002, before me personally came
Roy C. Kirk to me known, who, being by me duly sworn, did
depose and say he resides at

19 Ridge Lane, Weston, CT 06897

and that
he is the Chairman CEO of **MERCATOR SOFTWARE, INC.**, the corporation described
in and which executed the above instrument; that he has been authorized to execute said
instrument on behalf of said corporation; and that he signed said instrument on behalf of said
corporation pursuant to said authority.


Notary Public

[Notarial Seal]

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

GRANTORS:

MERCATOR SOFTWARE, INC., a Delaware corporation, as Grantor

By: _____
Title: _____

MERCATOR SOFTWARE, LTD., an entity organized under the laws of the United Kingdom, as Grantor

By: _____
Title: _____

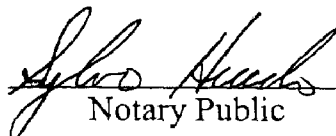
Agreed and consented to as of the date first above written:

FOOTHILL CAPITAL CORPORATION, a California corporation, as Agent

By: _____
Title: _____ *v.e.*

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 20th day of December, 2002, before me personally came
Stephen Cavill to me known, who, being by me duly sworn, did depose
and say he resides at 111 ATLANTIC AVENUE, # 412, Boston, MA
02110 and that he is the
_____ of **FOOTHILL CAPITAL CORPORATION**, the corporation
described in and which executed the above instrument; that he has been authorized to execute
said instrument on behalf of said corporation; and that he has signed said instrument on behalf of
said corporation pursuant to said authority.


Notary Public

SYLVIA HEREDIA
Notary Public, State of New York
No. 01HE6067609
Qualified in New York County
Commission Expires Dec. 10, 2005

[Notarial Seal]

SCHEDULE I: TRADEMARKS, REGISTRATIONS AND APPLICATIONS

SEE ATTACHED

MERCATOR	MERCATOR SOFTWARE INC. TRADEMARK SECURITY AGREEMENT									
SCHEDULE	SCHEDULE I									
COUNTRY	CLASS	STATUS	NAME	FILED	SERIAL NO	ISSUED	REG NO	EXPIRES		
Europe	TMK	Registered	TSI (BLOCK LETTERS)	1986/04/02	73/591,175	1990/11/13	1,622,107	2010/11/13		
Spain	TMK	Registered	TSI		1,066,269	1976/07/26	1,066,269	2007/07/26		
France	TMK	Registered	KEY/MASTER	1975/09/11	73/062,738	1976/12/14	1,054,242	2006/12/14		
Great Britain	TMK	Registered	KEY/MASTER	1978/04/24	624,179	1978/04/24	352,784	2008/04/24		
Japan	TMK	Registered	KEY/MASTER		598,419	1989/01/20	350,200	2004/01/20		
United States	TMK	Registered	KEY/MASTER			1988/05/05	365872	2008/05/05		
United States	TMK	Registered	KEY/MASTER	1978/06/07	T18575/9WZ	1978/06/07	982260	2008/06/07		
United States	TMK	Registered	KEY/MASTER	1978/06/14	2619/78	1979/01/05	65/79	1999/01/05		
United States	TMK	Registered	KEY/MASTER	1988/05/26	929,361	1988/05/26	1,468,031	1998/05/26		
United States	TMK	Registered	KEY/MASTER			1976/07/26	1,066,270	2007/07/26		
Argentina	TMK	Registered	KEY/MASTER			2000/05/30	815,517	2008/02/26		
Australia	TMK	Registered	KEY/MASTER	1988/10/25	51,156	1988/10/25	366,031	2003/10/25		
Brazil	TMK	Registered	KEY/MASTER	1978/12/05	786478	1983/07/19	102771	1998/07/19		
Canada	TMK	Registered	TRADING PARTNER	1989/12/18	74/011,828	1991/10/15	1,660,560	2011/10/15		
Switzerland	TMK	Registered	TRADING PARTNER	1991/04/17	553,865	1993/08/13	553,865	2008/04/17		
Chile	TMK	Registered	TRADING PARTNER	1991/11/15	693,642	1995/01/27	438,251	2010/01/27		

MERCATOR SOFTWARE INC. TRADEMARK SECURITY AGREEMENT									
SCHEDULE I									
COUNTRY	CLASS	STATUS	NAME	FILED	SERIAL NO	ISSUED	REG NO	EXPIRES	
Europe	TMK	Registered	TRADING PARTNER	1996/04/01	000055228	1998/11/09	55,228	2006/04/01	
Spain	TMK	Registered	TRADING PARTNER	1990/11/12	1,598,707	1991/12/05	1,598,707	2010/11/12	
France	TMK	Registered	TRADING PARTNER (Class 9)	1990/11/07	248,091	1990/11/07	1,625,588	2010/11/07	
Great Britain	TMK	Registered	TRADING PARTNER	1990/10/12	1,449,011	1990/10/12	1,449,011	2007/10/12	
Japan	TMK	Registered	TRADING PARTNER	1990/10/03	111653/90	1993/08/31	2,566,660	2003/08/31	
United States	TMK	Registered	EASYPATH	1993/03/19	74/369,220	1994/08/02	1,847,603	2004/08/02	
United States	TMK	Registered	EASYLOGIC	1990/05/18	74/060,535	1991/05/14	1,644,296	2011/05/14	
United States	TMK	Registered	TRANSLATE	1986/11/14	73/630,402	1988/02/09	1,475,704	2008/02/09	
United States	TMK	Registered	TRADING PARTNER	1989/12/11	74/009,319	1990/10/02	1,615,543	2010/10/02	
United States	TMK	Registered	MERCATOR (Class 9)	1991/12/13	74/229,939	1994/04/05	1,829,798	2004/04/05	
Argentina	TMK	Pending	MERCATOR (Class 41)	2000/05/31	2,289,335				
Australia	TMK	Registered	MERCATOR (Class 9)	1998/06/15	764,942	1998/06/15	764,942	2008/06/15	
Brazil	TMK	Published	MERCATOR (Class 9)	1998/06/17	820841790				
Canada	TMK	Registered	MERCATOR (Canada)	1994/06/27	758,055	1995/08/25	758,055	2010/08/25	
Switzerland	TMK	Registered	MERCATOR (No Class Listed)	1994/07/26	5099/1994.6	1996/05/01	422,477	2004/07/26	
Chile	TMK	Registered	MERCATOR (Class 9)	2000/07/03	492,148	2001/03/27	583,103	2010/11/22	

MERCATOR SOFTWARE INC. TRADEMARK SECURITY AGREEMENT									
SCHEDULE I									
COUNTRY	CLASS	STATUS	NAME	FILED	SERIAL NO	ISSUED	REG NO	EXPIRES	
China	TMK	Registered	MERCATOR (Class 9)	1997/03/25	970025518	1998/07/07	1189494	2008/07/06	
Germany	TMK	Registered	MERCATOR (No Class Listed)	1994/08/17	T37018/9WZ	1997/05/10	2103267	2004/08/17	
Europe	TMK	Published	MERCATOR (Class 9 and 16)	1996/04/01	000055004				
Spain	TMK	Registered	MERCATOR (Class 9)	1994/12/22	1,937,943	1995/08/04	1,937,943	2004/12/22	
France	TMK	Registered	MERCATOR (No class listed)	1994/08/01	94/531210	1994/08/01	94/531210	2004/08/01	
Great Britain	TMK	Examined	MERCATOR (Class 9)	1994/06/23	1,576,142				
Hong Kong	TMK	Published	MERCATOR (Class 9)	1997/03/03	97/02892	1999/12/8	15764/1999	2004/3/3/	
Israel	TMK	Registered	MERCATOR (Class 9)	1998/06/19	120372	1999/09/09	120372	2005/6/18	
India	TMK	Pending	MERCATOR (Class 9)	1998/06/16	806447				
Italy	TMK	Registered	MERCATOR (No Class Listed)	1995/02/14	UD95C000036	1998/01/21	00738405	2005/02/14	
Japan	TMK	Registered	MERCATOR (Class 11)	1994/07/19	72855/94	1998/12/18	4,223,342	2008/12/18	
Japan	TMK	Registered	MERCATOR (KATAKANA)	1988/06/22	704434/88	1991/07/31	2,325,147	2011/07/31	
South Korea	TMK	Registered	MERCATOR (Class 39)	1997/03/03	97/9156	1998/06/12	404,413	2008/06/12	
Mexico	TMK	Registered	MERCATOR (Class 9)	1994/07/12	205,044	1994/11/16	479,639	2004/11/16	
Malaysia	TMK	Pending	MERCATOR (Class 9)		94/07730			2000/05/04	
Norway	TMK	Pending	MERCATOR (Class 9)	1998/06/16	199805212	2000/06/08	203,193	2010/06/08	

MERCATOR SOFTWARE INC. TRADEMARK SECURITY AGREEMENT									
SCHEDULE I									
COUNTRY	CLASS	STATUS	NAME	FILED	SERIAL NO	ISSUED	REG NO	EXPIRES	
New Zealand	TMK	Registered	MERCATOR (Class 9)	1998/06/15	293,821	1998/06/15	293,821	2005/06/15	
Singapore	TMK	Registered	MERCATOR (Class 9)	1997/03/10	T97/02737Z	1997/03/10	T97/02737Z	2007/03/10	
Thailand	TMK	Registered	MERCATOR (Class 9)	1997/03/25	331156	1998/06/01	72,707	2007/03/25	
Taiwan	TMK	Registered	MERCATOR (Class 9)	1997/03/05	86-10252	1998/02/01	790605	2007/07/01	
Venezuela	TMK	Registered	MERCATOR (Class 9)	2000/07/14	12514-2000	1992/03/21	140,465	2002/03/21	
Viet Nam	TMK	Registered	MERCATOR (No class listed)	1997/03/03	32,953	1998/06/27	27453	2007/03/03	
South Africa	TMK	Registered	MERCATOR (Class 9)	1998/06/15	98/10183	19998/06/1	98/101/83	2008/06/15	
United States	TMK	Registered	MERCATOR (Class 9)	1998/06/04	75/496,348	1999/09/28	2,281,097	2009/09/28	
Canada	TMK	Pending	MERCATOR (Classes 9, 41 and 42)		TMO 1,029,134				
Colombia	TMK	Registered	MERCATOR (Class 9)	2000/06/08	00042614	2001/06/19	237,954	2011/06/19	
Mexico	TSM	Registered	MERCATOR (Class 41)	2001/10/26	513,952	2001/10/26	732,172	2011/10/26	
United States	TSM	Registered	MERCATOR (Class 42)	1998/07/06	75/513,974	1999/08/31	2,274,277	2009/08/31	
Colombia	TSM	Registered	MERCATOR (Class 42)	2000/06/08	00042611	2001/06/19	237,956	2011/06/19	
Europe	TMK	Registered	MERCATOR (Class 9, 41 and 42)	1999/01/05	001034974	1999/01/05	1034974	2009/01/5	
Mexico	TSM	Pending	MERCATOR (Class 42)	2001/10/26	513,953				
Venezuela	TSM	Registered	MERCATOR (Class 42)	2000/07/14	12516-2000	2002/06/28	12516-2000	2012/06/28	

MERCATOR SOFTWARE INC. TRADEMARK SECURITY AGREEMENT									
SCHEDULE I									
COUNTRY	CLASS	STATUS	NAME	FILED	SERIAL NO	ISSUED	REG NO	EXPIRES	
United States	TSM	Registered	MERCATOR (Class 41)	1998/07/08	75/515,072	1999/08/31	2,274,290	2009/08/31	
Colombia	TSM	Published	MERCATOR (Class 41)	2000/06/08	00042612	2001/06/19	237,955	2011/06/19	
Venezuela	TSM	Published	MERCATOR (Class 41)	2000/07/14	12515-2000				
Chile	TMK	Registered	MERCATOR (Class 41 and 42)	2000/11/22	492,147	2000/11/22	583,103	2010/11/22	
Brazil	TMK	Pending	PC KEY/MASTER	1992/04/01	816656126				
Canada	TMK	Registered	ONCALL	1994/07/29	760,402	1998/11/23	504,447	2013/11/23	
Mexico	TMK	Registered	ONCALL	1994/11/10	217,332	1996/02/23	517,537	2006/02/23	
United States	TMK	Registered	TSI SOFT and Design	1996/08/19	75/152,032	1999/02/02	2,221,935	2009/02/02	
United States	TSM	Suspended	TSI SOFT and Design	1997/10/27	75/379,849				
United States	TSM	Registered	BUSINESSLINK	1997/07/28	75/332,021	1998/10/06	2,193,582	2008/10/06	
United States	TMK	Suspended	M-SHAPED PAPER AIRPLANE DESIGN	2000/01/13	75/896,267				
Australia	TMK	Registered	M-SHAPED PAPER AIRPLANE DESIGN	2000/05/12	835,275	2000/05/12	835,275	2010/05/12	
Canada	TMK	Pending	M-SHAPED PAPER AIRPLANE DESIGN	2000/05/10	1,058,594				
Europe	TMK	Registered	M-SHAPED PAPER AIRPLANE DESIGN	2000/05/25	1,693,084	2000/05/25	1,693,084	2010/05/25	
France	TMK	Pending	M-SHAPED PAPER AIRPLANE DESIGN	2000/05/11	003027189	2000/05/11	3,027,189	2010/05/11	
Japan	TMK	Registered	M-SHAPED PAPER AIRPLANE DESIGN	2000/05/29	2000-58538	2001/06/29	4,487,304	2011/06/29	

MERCATOR SOFTWARE INC. TRADEMARK SECURITY AGREEMENT									
SCHEDULE I									
COUNTRY	CLASS	STATUS	NAME	FILED	SERIAL NO	ISSUED	REG NO	EXPIRES	
Singapore	TMK	Registered	M-SHAPED PAPER AIRPLANE DESIGN	2000/05/15	T00/08173J	2000/01/13	T00/08173J	2010/01/13	
United States	TSM	Registered	M-SHAPED PAPER AIRPLANE DESIGN	2000/01/13	75/896,266	2001/10/30	2,503,016	2011/10/30	
Singapore	TSM	Registered	M-SHAPED PAPER AIRPLANE DESIGN	2000/05/15	T00/08174I	2000/01/13	T00/08174I	2010/01/13	
United States	TSM	Registered	M-SHAPED PAPER AIRPLANE DESIGN	2000/01/13	75/896,265	2001/10/16	2,499,048	2011/10/16	
Singapore	TSM	Registered	M-SHAPED PAPER AIRPLANE DESIGN	2000/05/15	T00/08175G	2000/01/13	T00/08175G	2010/01/13	
United States	TSM	Pending	MYMERCATOR	2001/12/18	76/349,584				
United States	TSM	Pending	MYMERCATOR.COM	2001/12/18	76/349,585				
United States	TMK	Registered	NOVERA EPIC	1996/11/14	75/197,621	1998/06/23	2,168,474	2008/06/23	
United States	TMK	Registered	NOVERA	1996/06/13	75/118,134	1997/12/09	2,120,543	2007/12/09	
United States	TMK	Allowed	INTEGRATION BROKER	2001/09/10	76/310,869				
Australia	TMK	Pending	INTEGRATION BROKER		887,435				
Europe	TMK	Published	INTEGRATION BROKER	2001/08/17	2,347,805				
Japan	TMK	Pending	INTEGRATION BROKER	2001/09/07	2001-81173				
United States	TSM	Allowed	INTEGRATION BROKER	2001/09/10	76/310,870				
United States	TSM	Allowed	INTEGRATION BROKER	2001/09/10	76/310,871				
United States	TMK	To File	BRAID (Class 9)						

MERCATOR SOFTWARE INC. TRADEMARK SECURITY AGREEMENT								
SCHEDULE I								
COUNTRY	CLASS	STATUS	NAME	FILED	SERIAL NO	ISSUED	REG NO	EXPIRES
United States	TSM	To File	BRAID (Class 42)					
United States	TMK	Registered	BRAID	1990/09/12	74/096,172	1992/07/14	1,700,242	
United States	TMK	Registered	BRAID (Stylized)	1984/08/24	73/496,406	1986/02/25	1,384,055	

SCHEDULE II: LICENSES

NONE.

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Schedule I - Trademarks, Registrations and Applications

Schedule II - Licenses