

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Ascend Ventures II, L.P., a Delaware limited partnership		04/23/2009	PARTNERSHIP: DELAWARE
Newport Coast Investments, LLC, a California limited liability company		04/23/2009	LIMITED LIABILITY COMPANY: CALIFORNIA

RECEIVING PARTY DATA

Name:	NextMedium, LLC, a California limited liability company
Street Address:	101 Academy
Internal Address:	Suite 110
City:	Irvine
State/Country:	CALIFORNIA
Postal Code:	92617
Entity Type:	LIMITED LIABILITY COMPANY: CALIFORNIA

PROPERTY NUMBERS Total: 4

Property Type	Number	Word Mark
Serial Number:	78972982	NEXTMEDIUM
Registration Number:	3268386	NEXTMEDIUM
Serial Number:	77001942	EMBED
Registration Number:	3264048	EMBED

CORRESPONDENCE DATA

Fax Number: (949)720-4111
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Email: payam@winthropcouchot.com
 Correspondent Name: Payam Khodadadi, Winthrop Couchot
 Address Line 1: 660 Newport Center Drive
 Address Line 2: 4th Floor
 Address Line 4: Newport Beach, CALIFORNIA 92660

OP \$115.00 78972982

TRANSFER OF LEGAL TITLE

This Transfer of Legal Title is prepared and authenticated in accordance with Section 9-619 of the Uniform Commercial Code of the State of Delaware. Newport Coast Investments, LLC, a California limited liability company ("NCI") and Ascend Ventures II, L.P., a Delaware limited partnership ("Ascend") hereby state that:

- (1) NextMedium, Inc., a Delaware corporation ("Borrower") as borrower has defaulted in connection with its obligations secured by certain collateral described in Exhibit A and Exhibit B attached hereto ("Collateral") under a certain Amended and Restated Security Agreement ("Security Agreement"), dated as of September 30, 2008, between the Borrower and NCI as collateral agent for the benefit of itself and Ascend;
- (2) NCI, as collateral agent on behalf of itself and Ascend, has exercised their post-default remedies with respect to the Collateral;
- (3) by reason of the exercise, on January 21, 2009, NCI and Ascend acquired the rights of the Borrower in the Collateral and transferred all right, title and interest in the Collateral to NextMedium, LLC, a California limited liability company ("Transferee"); and
- (4) the name and mailing address of Ascend, NCI, the Borrower and Transferee, are as follows:

Secured Party

Ascend Ventures II, L.P
c/o Darryl E. Wash, Managing Partner
Ascend Venture Group, LLC
1500 Broadway, 14th Floor
New York, NY 10036

Secured Party


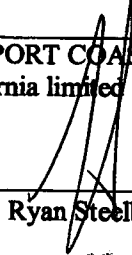
Newport Coast Investments, LLC
Attn: Ryan Steelberg
101 Academy, Suite 110
Irvine, CA 92617

Borrower/Debtor

NextMedium, Inc.
c/o Uecker & Associates, Inc., Assignee
Attn: Susan Uecker
100 Pine Street, Suite 475
San Francisco, CA 94111

Transferee

NextMedium, LLC
Attn: Ryan Steelberg
101 Academy, Suite 110
Irvine, CA 92617

<p>ASCEND VENTURES II, L.P, a Delaware limited partnership, by ASCEND VENTURE GROUP, its General Partner</p> <p>By:  Darryl E. Wash, its Managing Partner</p> <p>Dated: April 23 2009</p>	<p>NEWPORT COAST INVESTMENTS, LLC, a California limited liability company</p> <p>By:  Ryan Steelberg, Member</p> <p>Dated: April 23 2009</p>
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NOTICE OF SALE OF COLLATERAL

TO: THE ENTITIES LISTED ON THE ATTACHED SERVICE LIST

FROM: Newport Coast Investments, LLC
101 Academy, Suite 110
Irvine, CA 92617

DATE: January 9, 2009

PLEASE TAKE NOTICE THAT, in accordance with (i) Section 9-610 of the Uniform Commercial Code of the State of Delaware, and (ii) that certain Amended and Restated Security Agreement ("Security Agreement"), dated as of September 30, 2008 (the "Loan Agreement"), between NextMedium, Inc. ("Borrower") and Newport Coast Investments, LLC ("NCI") as collateral agent for the benefit of itself and Ascend Ventures II, L.P, NCI will conduct a public sale without reserve of all Collateral (as defined on Schedule A hereto), *except* all cash or cash equivalents of Borrower of every kind and nature whatsoever situated, whether in possession, reversion, remainder, or expectancy, including, without limitation, all money or cash on or in hand, bank accounts, deposits, forfeitures including those from flex spending accounts, tax refunds, insurance policies, rebates, refunds and settlement payments of every kind and nature owned by Borrower, or in which Borrower has an interest (collectively, "Cash"), as follows:

Day and Date: Wednesday, January 21, 2009
Time: 1:00 p.m. (PST)
Place: Winthrop Couchot Professional Corporation
660 Newport Center Drive, Fourth Floor
Newport Beach, CA 92660
Attn: Richard H. Golubow, Esq.
Telephone: (949) 720-4100

The sale of the Collateral is subject to certain bidding procedures and any prospective bidder must enter into a confidentiality agreement with NCI in order to be eligible to receive any due diligence materials or to participate and bid at the sale.

NCI makes no representation as to the Collateral. All sales will be without recourse or warranty.

You are entitled to an accounting of the unpaid indebtedness secured by the Collateral that NCI intends to sell, and may request such accounting by contacting the above-listed counsel to NCI.

NCI reserves the right to bid for and purchase the Collateral and to credit the purchase price therefrom against the respective debts owing to NCI and any costs of the sale. NCI also reserves the right to amend, adjourn, postpone or cancel the sale with respect to all or part of the Collateral.

NEWPORT COAST INVESTMENTS, LLC

By: _____
Name: Ryan Steelberg
Title: Member

SCHEDULE A

DEFINITIONS

“Collateral” means all of the Borrower’s right, title and interest in, to and under all of the following, wherever located and whether now or hereafter existing and whether now owned or hereafter acquired, of every kind and description, tangible or intangible (collectively, the “*Collateral*”) ¹ including:

(a) all Accounts;²

(b) all “*Copyright Licenses*” which means all licenses, contracts or other agreements, whether written or oral, naming the Borrower as licensee or licensor and providing for the grant of any right to use or sell any works covered by any copyright.

(c) all “*Copyrights*” which means all domestic and foreign copyrights, whether registered or not, including all copyright rights throughout the universe (whether now or hereafter arising) in any and all media (whether now or hereafter developed), in and to all original works of authorship fixed in any tangible medium of expression (including all copyright rights with respect to Software), acquired or used by the Borrower, all applications, registrations and recordings thereof (including applications, registrations and recordings in the United States Copyright Office or in any similar office or agency of the United States or any other country or any political subdivision thereof), and all reissues, divisions, continuations, continuations in part and extensions or renewals thereof;

(d) all Chattel Paper (whether tangible or electronic);

(e) all Documents;

(f) all Equipment;

(g) all Fixtures;

(h) all General Intangibles (including all Payment Intangibles);

(i) all Goods;

(j) all Instruments (including Promissory Notes and each certificated Security);

(k) all “*Intellectual Property*” which means the Copyrights, Trademarks and Patents;

(l) all Inventory;

(m) all Investment Property;

¹ To the extent there is any inconsistency between the definition of Collateral herein and in the Security Agreement, the terms of the Security Agreement shall control.

² All terms not defined herein have the same meaning as set forth in the Uniform Commercial Code for the State of Delaware.

(n) all “*Licenses*” which means the Copyright Licenses, the Trademark Licenses and the Patent Licenses;

(m) all Letter-of-Credit Rights;

(n) all “*Patent Licenses*” which means all licenses, contracts or other agreements, whether written or oral, naming the Borrower as licensee or licensor and providing for the grant of any right to manufacture, use or sell any invention covered by any Patent;

(o) all “*Patents*” which means all domestic and foreign letters patent, design patents, utility patents, industrial designs, inventions, trade secrets, ideas, concepts, methods, techniques, processes, proprietary information, technology, know-how, formulae, rights of publicity and other general intangibles of like nature, now existing or hereafter acquired, all applications, registrations and recordings thereof (including applications, registrations and recordings in the United States Patent and Trademark Office, or in any similar office or agency of the United States or any other country or any political subdivision thereof), and all reissues, divisions, continuations, continuations in part and extensions or renewals thereof;

(p) all “*Receivables Records*” which means (i) all original copies of all documents, instruments or other writings or electronic records or other Records evidencing the Receivables, (ii) all books, correspondence, credit or other files, Records, ledger sheets or cards, invoices, and other papers relating to Receivables, including, without limitation, all tapes, cards, computer tapes, computer discs, computer runs, record keeping systems and other papers and documents relating to the Receivables, whether in the possession or under the control of Borrower or any computer bureau or agent from time to time acting for Borrower or otherwise, (iii) all evidences of the filing of financing statements and the registration of other instruments in connection therewith, and amendments, supplements or other modifications thereto, notices to other creditors, secured parties or agents thereof, and certificates, acknowledgments, or other writings, including, without limitation, lien search reports, from filing or other registration officers, (iv) all credit information, reports and memoranda relating thereto and (v) all other written or non-written forms of information related in any way to the foregoing or any Receivable;

(q) all “*Trademark Licenses*” which means all licenses, contracts or other agreements, whether written or oral, naming the Borrower as licensor or licensee and providing for the grant of any right concerning any Trademark, together with any goodwill connected with and symbolized by any such trademark licenses, contracts or agreements and the right to prepare for sale or lease and sell or lease any and all Inventory now or hereafter owned by the Borrower and now or hereafter covered by such licenses;

(r) all “*Trademarks*” which means all domestic and foreign trademarks, service marks, collective marks, certification marks, trade names, business names, d/b/a’s, Internet domain names, trade styles, designs, logos and other source or business identifiers and all general intangibles of like nature, now or hereafter owned, adopted, acquired or used by the Borrower (including all domestic and foreign trademarks, service marks, collective marks, certification marks, trade names, business names, d/b/a’s, Internet domain names, trade styles, designs, logos and other source or business identifiers), all applications, registrations and recordings thereof (including 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, extensions or renewals thereof, together with all goodwill of the business symbolized by such marks and all customer lists, formulae and other Records of the Borrower relating to the distribution of products and services in connection with which any of such marks are used;

(s) all Supporting Obligations;

(t) all other tangible and intangible personal property of the Borrower (whether or not subject to the Uniform Commercial Code for the State of Delaware), including all commercial tort claims, all proceeds, products, offspring, accessions, rents, profits, income, benefits, substitutions and replacements of and to any of the property of the Borrower (including any proceeds of insurance thereon and all causes of action, claims and warranties now or hereafter held by the Borrower in respect of any of the items listed above), and all books, correspondence, files and other Records, including all tapes, desks, cards, Software, data and computer programs in the possession or under the control of the Borrower or any other person from time to time acting for the Borrower that at any time evidence or contain information relating to any of the property described herein or are otherwise necessary or helpful in the collection or realization thereof; and

(u) all Proceeds, including all Cash Proceeds and Noncash Proceeds, and products of any and all of the foregoing Collateral.

SERVICE LIST

<p><u>suecker@ueckerassoc.com</u> Muidemtxen, Inc. fka NextMedium, Inc. c/o Uecker & Associates, Inc., Assignee Attn: Susan Uecker 100 Pine Street, Suite 475 San Francisco, CA 94111</p>	<p><u>betty@innovativeCFO.com</u> <u>betty@kayton.net</u> Betty Kayton, Representative for Assignee</p>
<p><u>dwash@ascendventures.com</u> Ascend Ventures II, L.P. c/o Darryl E. Wash, Managing Partner Ascend Venture Group, LLC 1500 Broadway, 14th Floor New York, NY 10036</p>	<p><u>ivankovich@earthlink.net</u> Ivan Ivankovich Sole Member and Executive Chairman of Board of Directors of Muidemtxen, Inc. fka NextMedium, Inc.</p>
<p><u>brooke@cspgroupllc.com</u> Brooke Campbell, Esq., Counsel to Ascend Ventures II, L.P. and Ascend Venture Group, LLC</p>	

AMENDED AND RESTATED SECURITY AGREEMENT

This AMENDED AND RESTATED SECURITY AGREEMENT, dated as of September 30, 2008 (this "*Agreement*") is made by NextMedium, Inc., a Delaware corporation (the "*Grantor*"), in favor of Newport Coast Investments LLC, a California limited liability company ("*NCI*"), as Collateral Agent (as defined below), for the benefit of itself and Ascend Ventures II, L.P., a Delaware limited partnership ("*Ascend*" and, together with NCI and their respective successors, transferees and assigns, the "*Investors*").

W I T N E S S E T H:

WHEREAS, NCI and the Grantor are parties to a Bridge Loan Securities Purchase Agreement, dated as of July 30, 2008 (the "*NCI Securities Purchase Agreement*"), which sets forth the terms and conditions governing the sale by the Grantor and the purchase by NCI of a Senior Secured Promissory Note of the Company dated July 30, 2008 in the principal amount of \$1,000,000 (the "*NCI Note*");

WHEREAS, Ascend and the Grantor are parties to a Bridge Loan Securities Purchase Agreement, dated as of even date herewith (the "*Ascend Securities Purchase Agreement*," and together with the NCI Securities Purchase Agreement, the "*Securities Purchase Agreements*") pursuant to which the Grantor shall sell, and Ascend shall purchase, a Senior Secured Promissory Note of the Company of even date herewith in the principal amount of \$500,000 (the "*Ascend Note*");

WHEREAS, the Grantor and NCI are parties to that certain Security Agreement dated July 30, 2008 (the "*Prior Security Agreement*"), which provided for the grant of a security interest to NCI in all personal property of the Grantor to secure all of the Grantor's obligations under the NCI Note;

WHEREAS, it is a condition precedent to Ascend entering into the Ascend Securities Purchase Agreement that the Grantor shall have amended the Prior Security Agreement by executing and delivering to the Investors this Agreement, which provides for the grant to the Collateral Agent of a security interest in all personal property of the Grantor to secure all of the Grantor's obligations under the Securities Purchase Agreements, the NCI Note and the Ascend Note issued pursuant thereto (as each may be amended, restated, replaced or otherwise modified from time to time in accordance with the terms thereof, collectively, the "*Notes*"), and the other "Transaction Documents" (as defined in the Securities Purchase Agreements, as such "Transaction Documents" may be amended, restated, replaced or otherwise modified from time to time in accordance with the terms thereof, collectively, the "*Transaction Documents*");

WHEREAS, Section 10(a) of the Prior Security Agreement provides that the Prior Security Agreement may be amended by a writing signed by the Grantor and NCI, as the "Investor" (as such term defined therein); and

WHEREAS, the Grantor has determined that the execution, delivery and performance of this Agreement to (i) appoint NCI as the Collateral Agent, for the benefit of itself

and the Investors, (ii) grant to the Collateral Agent a security interest in all personal property of the Grantor, and (iii) make the other changes set forth herein, including making Ascend a party hereto, directly benefits, and is in the best interest of the Grantor;

NOW, THEREFORE, in consideration of the premises and the agreements herein and in order to induce the Investors to perform under the Securities Purchase Agreements, the Grantor agrees with the Investors, as follows:

SECTION 1. Definitions and Rules of Interpretation.

(a) Except as otherwise expressly provided in this Agreement, the following rules of interpretation apply to this Agreement: (i) the singular includes the plural and the plural includes the singular; (ii) “or” and “any” are not exclusive and “include” and “including” are not limiting; (iii) a reference to any agreement or other contract includes permitted supplements and amendments; (iv) a reference to a law includes any amendment or modification to such law and any rules or regulations issued thereunder; (v) a reference to a person includes its permitted successors and assigns; and (vi) a reference in this Agreement to an Article, Section, Annex, Exhibit or Schedule is to the Article, Section, Annex, Exhibit or Schedule of this Agreement.

(b) Reference is hereby made to the Securities Purchase Agreements and the Notes for a statement of the terms thereof. All terms used in this Agreement and the recitals hereto which are defined in the Securities Purchase Agreements, the Notes or in Articles 8 or 9 of the Uniform Commercial Code (the “Code”) as in effect from time to time in the State of Delaware, and which are not otherwise defined herein shall have the same meanings herein as set forth therein; provided that terms used herein which are defined in the Code as in effect in the State of Delaware on the date hereof shall continue to have the same meaning notwithstanding any replacement or amendment of such statute except as the Collateral Agent (upon the consent of a Majority in Interest of the Investors (as defined below)) may otherwise determine.

(c) The following terms shall have the respective meanings provided for in the Code: “Accounts”, “Cash Proceeds”, “Chattel Paper”, “Commercial Tort Claim”, “Commodity Account”, “Commodity Contracts”, “Deposit Account”, “Documents”, “Equipment”, “Fixtures”, “General Intangibles”, “Goods”, “Instruments”, “Inventory”, “Investment Property”, “Letter-of-Credit Rights”, “Noncash Proceeds”, “Payment Intangibles”, “Proceeds”, “Promissory Notes”, “Security”, “Record”, “Security Account”, “Software”, and “Supporting Obligations”.

(d) When used in this Agreement:

“*Copyright Licenses*” means all licenses, contracts or other agreements, whether written or oral, naming the Grantor as licensee or licensor and providing for the grant of any right to use or sell any works covered by any copyright (including all Copyright Licenses set forth in Schedule II hereto).

“*Copyrights*” means all domestic and foreign copyrights, whether registered or not, including all copyright rights throughout the universe (whether now or hereafter arising) in any and all media (whether now or hereafter developed), in and to all original works of authorship fixed in any tangible medium of expression (including all copyright rights with

respect to Software), acquired or used by the Grantor (including, with respect to registered copyrights, all copyrights described in Schedule II hereto), all applications, registrations and recordings thereof (including applications, registrations and recordings in the United States Copyright Office or in any similar office or agency of the United States or any other country or any political subdivision thereof), and all reissues, divisions, continuations, continuations in part and extensions or renewals thereof.

“*Event of Default*” shall have the meaning set forth in the Notes.

“*Insolvency Proceeding*” means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code (Chapter 11 of Title 11 of the United States Code) or under any other bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, or extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

“*Intellectual Property*” means the Copyrights, Trademarks and Patents.

“*Licenses*” means the Copyright Licenses, the Trademark Licenses and the Patent Licenses.

“*Lien*” means any mortgage, deed of trust, pledge, lien (statutory or otherwise), security interest, charge or other encumbrance or security or preferential arrangement of any nature, including any conditional sale or title retention arrangement, any capitalized lease and any assignment, deposit arrangement or financing lease intended as, or having the effect of, security.

“*Majority in Interest of the Investors*” means the Investors holding more than 50% of the aggregate outstanding principal amount of the Notes.

“*Patent Licenses*” means all licenses, contracts or other agreements, whether written or oral, naming the Grantor as licensee or licensor and providing for the grant of any right to manufacture, use or sell any invention covered by any Patent (including all Patent Licenses set forth in Schedule II hereto).

“*Patents*” means all domestic and foreign letters patent, design patents, utility patents (including all domestic and foreign letters patent, design patents, and utility patents described in Schedule II hereto), industrial designs, inventions, trade secrets, ideas, concepts, methods, techniques, processes, proprietary information, technology, know-how, formulae, rights of publicity and other general intangibles of like nature, now existing or hereafter acquired, all applications, registrations and recordings thereof (including applications, registrations and recordings in the United States Patent and Trademark Office, or in any similar office or agency of the United States or any other country or any political subdivision thereof), and all reissues, divisions, continuations, continuations in part and extensions or renewals thereof.

“*Receivables*” shall mean all rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, including, without limitation all such rights

constituting or evidenced by any Account, Chattel Paper, Instrument, General Intangible or Investment Property, together with all of Grantor's rights, if any, in any goods or other property giving rise to such right to payment and all Supporting Obligations related thereto and all Receivables Records.

"*Receivables Records*" shall mean (i) all original copies of all documents, instruments or other writings or electronic records or other Records evidencing the Receivables, (ii) all books, correspondence, credit or other files, Records, ledger sheets or cards, invoices, and other papers relating to Receivables, including, without limitation, all tapes, cards, computer tapes, computer discs, computer runs, record keeping systems and other papers and documents relating to the Receivables, whether in the possession or under the control of Grantor or any computer bureau or agent from time to time acting for Grantor or otherwise, (iii) all evidences of the filing of financing statements and the registration of other instruments in connection therewith, and amendments, supplements or other modifications thereto, notices to other creditors, secured parties or agents thereof, and certificates, acknowledgments, or other writings, including, without limitation, lien search reports, from filing or other registration officers, (iv) all credit information, reports and memoranda relating thereto and (v) all other written or non-written forms of information related in any way to the foregoing or any Receivable.

"*Subsidiary*" means, with respect to any person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the person or persons (whether directors, managers, trustees or other persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that person or one or more of the other Subsidiaries of that person or a combination thereof; provided, in determining the percentage of ownership interests of any person controlled by another person, no ownership interest in the nature of a "qualifying share" of the former person shall be deemed to be outstanding.

"*Trademark Licenses*" means all licenses, contracts or other agreements, whether written or oral, naming the Grantor as licensor or licensee and providing for the grant of any right concerning any Trademark, together with any goodwill connected with and symbolized by any such trademark licenses, contracts or agreements and the right to prepare for sale or lease and sell or lease any and all Inventory now or hereafter owned by the Grantor and now or hereafter covered by such licenses (including all Trademark Licenses described in Schedule II hereto).

"*Trademarks*" means all domestic and foreign trademarks, service marks, collective marks, certification marks, trade names, business names, d/b/a's, Internet domain names, trade styles, designs, logos and other source or business identifiers and all general intangibles of like nature, now or hereafter owned, adopted, acquired or used by the Grantor (including all domestic and foreign trademarks, service marks, collective marks, certification marks, trade names, business names, d/b/a's, Internet domain names, trade styles, designs, logos and other source or business identifiers described in Schedule II hereto), all applications, registrations and recordings thereof (including 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, extensions or renewals thereof, together with all goodwill of the business symbolized by such marks and all customer lists, formulae and other Records of the Grantor relating to the distribution of products and services in connection with which any of such marks are used.

SECTION 2. Grant of Security Interest. As collateral security for all of the "Obligations" (as defined in Section 3 hereof), the Grantor hereby pledges and assigns to the Collateral Agent, for the benefit of itself and the Investors, and grants to the Collateral Agent, for the benefit of itself and the Investors, a security interest in and continuing lien on all of the Grantor's right, title and interest in, to and under all of the following, wherever located and whether now or hereafter existing and whether now owned or hereafter acquired, of every kind and description, tangible or intangible (collectively, the "*Collateral*"):

- (a) all Accounts;
- (b) all Chattel Paper (whether tangible or electronic);
- (c) the Commercial Tort Claims specified on Schedule VI hereto;
- (d) all Deposit Accounts (including all cash, and all other property from time to time deposited therein and the monies and property in the possession or under the control of the Collateral Agent or any of its affiliates, representatives, agents or correspondents;
- (e) all Documents;
- (f) all Equipment;
- (g) all Fixtures;
- (h) all General Intangibles (including all Payment Intangibles);
- (i) all Goods;
- (j) all Instruments (including Promissory Notes and each certificated Security);
- (k) all Inventory;
- (l) all Investment Property;
- (m) all Copyrights, Patents and Trademarks, and all Licenses;
- (n) all Letter-of-Credit Rights;
- (o) Receivables and Receivable Records;
- (p) all Supporting Obligations;
- (q) all other tangible and intangible personal property of the Grantor (whether or not subject to the Code), including all bank and other accounts and all cash and all investments

therein, all proceeds, products, offspring, accessions, rents, profits, income, benefits, substitutions and replacements of and to any of the property of the Grantor described in the preceding clauses of this Section 2 (including any proceeds of insurance thereon and all causes of action, claims and warranties now or hereafter held by the Grantor in respect of any of the items listed above), and all books, correspondence, files and other Records, including all tapes, desks, cards, Software, data and computer programs in the possession or under the control of the Grantor or any other Person from time to time acting for the Grantor that at any time evidence or contain information relating to any of the property described in the preceding clauses of this Section 2 or are otherwise necessary or helpful in the collection or realization thereof; and

(r) all Proceeds, including all Cash Proceeds and Noncash Proceeds, and products of any and all of the foregoing Collateral;

in each case howsoever the Grantor's interest therein may arise or appear (whether by ownership, security interest, claim or otherwise), but excluding in all cases all intent-to-use United States trademark applications for which an amendment to allege use or statement of use has not been filed under 15 U.S.C. § 1051(c) or 15 U.S.C. § 1051(d), respectively, or if filed, has not been deemed in conformance with 15 U.S.C. § 1051(a) or examined and accepted, respectively, by the United States Patent and Trademark Office.

Notwithstanding anything to the contrary set forth in Section 2 hereof, the types or items of Collateral shall not include any (i) escrow accounts pursuant to which the Grantor serves as the escrow holder for funds designated for its clients, or (ii) rights or interest in any contract, license or license agreement in effect on the date hereof covering personal property of Grantors, so long as under the terms of such contract, license or license agreement, or applicable law with respect thereto, the grant of a security interest or lien therein to the Collateral Agent is prohibited and such prohibition has not been waived or the consent of the other party to such contract, license or license agreement has not been obtained or a lawful waiver of such prohibition under applicable law has not been obtained; provided, that, the foregoing exclusion shall in no way be construed to apply if any such prohibition is unenforceable under Sections 9-406, 9-407 or 9-408 of the UCC or other applicable law.

SECTION 3. Security for Obligations. The security interest created hereby in the Collateral constitutes continuing collateral security for all of the following obligations, whether now existing or hereafter incurred (collectively, the "*Obligations*"):

(a) the payment by the Grantor, as and when due and payable (by scheduled maturity, required prepayment, acceleration, demand or otherwise), of all amounts from time to time owing by it in respect of the Securities Purchase Agreements, the Notes and the other Transaction Documents; and

(b) the due performance and observance by the Grantor of all of its other obligations from time to time existing in respect of any of the Transaction Documents for so long as any of the Notes are outstanding.

SECTION 4. Representations and Warranties. The Grantor represents and warrants to the Collateral Agent and the Investors as follows:

(a) Schedule I hereto sets forth (i) the exact legal name of the Grantor, and (ii) the organizational identification number of the Grantor or states that no such organizational identification number exists.

(b) There is no pending or written notice threatening any action, suit, proceeding or claim affecting the Grantor before any governmental authority or any arbitrator, or any order, judgment or award by any governmental authority or arbitrator, that may adversely affect the grant by the Grantor, or the perfection, of the security interest purported to be created hereby in the Collateral, or the exercise by the Collateral Agent of any of its rights or remedies hereunder.

(c) All Federal, state and local tax returns and other reports required by applicable law to be filed by the Grantor have been filed, or extensions have been obtained, and all taxes, assessments and other governmental charges imposed upon the Grantor or any property of the Grantor (including, without limitation, all federal income and social security taxes on employees' wages) and which have become due and payable on or prior to the date hereof have been paid, except to the extent contested in good faith by proper proceedings which stay the imposition of any penalty, fine or Lien resulting from the non-payment thereof and with respect to which adequate reserves have been set aside for the payment thereof in accordance with generally accepted accounting principles consistently applied ("GAAP").

(d) All Equipment, Fixtures, Goods and Inventory of the Grantor now existing are, and all Equipment, Fixtures, Goods and Inventory of the Grantor hereafter existing will be, located and/or based at the addresses specified therefor in Schedule III hereto, except that the Grantor will give the Collateral Agent not less than 10 days' prior written notice of any change of the location of any such Collateral, other than to locations set forth on Schedule III and with respect to which the Collateral Agent has filed financing statements and otherwise fully perfected its Liens thereon. The Grantor's chief place of business and chief executive office, the place where the Grantor keeps its Records concerning Accounts and all originals of all Chattel Paper are located at the addresses specified therefor in Schedule III hereto. None of the Accounts is evidenced by Promissory Notes or other Instruments. Set forth in Schedule IV hereto is a complete and accurate list, as of the date of this Agreement, of (i) each Promissory Note, Security and other Instrument owned by the Grantor and (ii) each Deposit Account, Securities Account and Commodities Account of the Grantor, together with the name and address of each institution at which each such Account is maintained, the account number for each such Account and a description of the purpose of each such Account. Set forth in Schedule I hereto is a complete and correct list of each trade name used by the Grantor and the name of, and each trade name used by, each person from which the Grantor has acquired any substantial part of the Collateral.

(e) The Grantor has delivered to the Collateral Agent and the Investors complete and correct copies of each License described in Schedule II hereto, including all schedules and exhibits thereto, which represents all of the Licenses existing on the date of this Agreement. Except as set forth in Schedule II hereto, each such License sets forth the entire agreement and understanding of the parties thereto relating to the subject matter thereof, and there are no other

agreements, arrangements or understandings, written or oral, relating to the matters covered thereby or the rights of the Grantor or any of its affiliates in respect thereof. Each material License now existing is, and any material License entered into in the future will be, the legal, valid and binding obligation of the parties thereto, enforceable against such parties in accordance with its terms. No default under any material License by any such party has occurred, nor does any defense, offset, deduction or counterclaim exist thereunder in favor of any such party.

(f) The Grantor owns and controls, or otherwise possesses adequate rights to use, all Trademarks, Patents and Copyrights, which are the only trademarks, patents, copyrights, inventions, trade secrets, proprietary information and technology, know-how, formulae, rights of publicity necessary to conduct its business in substantially the same manner as conducted as of the date hereof. Schedule II hereto sets forth a true and complete list of all registered Intellectual Property owned or licensed by such Grantor, and all Licenses. To the best knowledge of the Grantor (except, with respect to the Company, for certain Trademarks as set forth in Schedule II), all such Intellectual Property listed on Schedule II of the Guarantor is subsisting and in full force and effect, has not been adjudged invalid or unenforceable, is valid and enforceable and has not been abandoned in whole or in part. Except as set forth in Schedule II, no such Intellectual Property listed on Schedule II is the subject of any licensing or franchising agreement. The Grantor has no knowledge of any conflict with the rights of others to any Intellectual Property listed on Schedule II and, to the best knowledge of the Grantor, the Grantor is not now infringing or in conflict with any such rights of others in any material respect, and to the best knowledge of such Grantor, no other Person is now infringing or in conflict in any material respect with any such properties, assets and rights owned or used by such Grantor. The Grantor has not received any notice that it is violating or has violated the trademarks, patents, copyrights, inventions, trade secrets, proprietary information and technology, know-how, formulae, rights of publicity or other intellectual property rights of any third party. The Grantor has registered the Copyrights relating to the current version of each item of computer software owned by the Grantor. With respect to all such computer software, (i) the Grantor is in possession of all source and object codes therefore, and (ii) all such source and object codes are proprietary information of such Grantor. To the Grantor's knowledge, (i) none of the Grantor's employees or consultants are obligated under any contract (including licenses, covenants, or commitments of any nature) or other agreement, or subject to any judgment, decree, or order of any court or administrative agency, that would interfere with the use of his or her best efforts to promote the interests of the Grantor or that would conflict with the Grantor's business as presently conducted and proposed to be conducted (ii) neither the execution nor delivery of the Transaction Documents, nor the carrying on of the Grantor's business by the employees of the Grantor, nor the conduct of the Grantor's business as presently conducted, will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant, or instrument under which any of such employees or consultants is now obligated, and (iii) none of the Grantor's current employees or consultants is, by virtue of such employee's or consultant's activities in connection with the Grantor's business, violating, infringing, or misappropriating any proprietary rights of any former employer of such employee or consultant. Each former and current employee, officer and consultant of the Grantor has executed and delivered to the Grantor an agreement providing for the assignment to and ownership by the Grantor, as applicable, of all inventions and work product produced by such person while in the employ of the Grantor. The Grantor is not aware that any employees of the Grantor is obligated under any contract (including licenses, covenants or commitments of any

nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of his or her best efforts to promote the interests of the Grantor or its Subsidiaries or that would conflict with the current business of the Grantor. No employee, officer or consultant has excluded works or inventions made prior to his or her employment or consulting relationship with the Grantor from his or her assignment of inventions to the Grantor. To the Grantor's knowledge, it will not be necessary to use any inventions of any of its employees that were made prior to their employment by the Grantor. Each employee, officer and consultant of the Grantor has executed a proprietary information and invention assignment agreement. The Grantor has no knowledge of any violation, or any claim of any violation, by any employees, officers or consultants of any non-disclosure, non-competition, non-solicitation, assignment of inventions or similar agreements or obligations that such employee or consultant has with either the Grantor or any third party, and the Grantor will use commercially reasonable efforts to prevent any such violation. Grantor has not received any notice alleging that any such violation has occurred.

(g) The Grantor is and will be at all times the sole and exclusive owner of, or otherwise has and will have adequate rights in, the Collateral free and clear of any Liens on any Collateral other than the Cash Collateral Account. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording or filing office except such as may have been filed in favor of the Collateral Agent relating to this Agreement.

(h) The exercise by the Collateral Agent of any of its rights and remedies hereunder will not contravene any law or any contractual restriction binding on or otherwise affecting the Grantor or any of its properties and will not result in or require the creation of any Lien, upon or with respect to any of its properties.

(i) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or other regulatory body, or any other Person, is required for (i) the grant by the Grantor, or the perfection, of the security interest purported to be created hereby in the Collateral, or (ii) the exercise by the Collateral Agent of any of its rights and remedies hereunder, except (A) for the filing under the Uniform Commercial Code as in effect in the applicable jurisdiction of the financing statements (the "UCC"), all of which financing statements, have been duly filed and are in full force and effect, (B) with respect to the perfection of the security interest created hereby in the Intellectual Property, for the recording of the appropriate Assignment for Security, substantially in the form of Exhibit A hereto, as applicable, in the United States Patent and Trademark Office or the United States Copyright Office, as applicable, and (C) with respect to the perfection of the security interest created hereby in foreign Intellectual Property and Licenses, for registrations and filings in jurisdictions located outside of the United States and covering rights in such jurisdictions relating to the Intellectual Property and Licenses, (D) actions with respect to Collateral of the types excluded from Article 9 of the UCC or from the filing requirements under such Article 9, and (E) with respect to the perfection of the security interest in any Deposit Accounts, for account control agreements executed by the relevant bank.

(j) This Agreement creates in favor of the Collateral Agent a first priority legal, valid and enforceable security interest in the Collateral (other than Intellectual Property which

requires a filing or other action be taken in a jurisdiction located outside of the United States of America if such filing has not been requested by the Grantor), as security for the Obligations. The Collateral Agent's having possession of all Instruments and cash constituting Collateral from time to time, the recording of the appropriate Assignment for Security executed pursuant hereto in the United States Patent and Trademark Office and the United States Copyright Office, as applicable, and the filing of the financing statements and the other filings and recordings, as applicable, described in Schedule V hereto and, with respect to the Intellectual Property hereafter existing and not covered by an appropriate Assignment for Security, the recording in the United States Patent and Trademark Office or the United States Copyright Office, as applicable, of appropriate instruments of assignment, result in the perfection of such security interests. Such security interests are, or in the case of Collateral in which the Grantor obtains rights after the date hereof, will be, perfected, first priority security interests, subject only to the recording of such instruments of assignment. Such recordings and filings and all other action necessary to perfect and protect such security interest have been duly taken, except for the Collateral Agent's having possession or control of Instruments and cash constituting Collateral after the date hereof and the other filings and recordations described in Section 4(h) hereof.

(k) As of the date hereof, the Grantor does not hold any Commercial Tort Claims nor is aware of any such pending claims.

SECTION 5. Covenants as to the Collateral. So long as any of the Obligations shall remain outstanding, unless the Collateral Agent (upon the consent of a Majority in Interest of the Investors) shall otherwise consent in writing:

(a) Further Assurances. The Grantor will at its expense, at any time and from time to time, promptly execute and deliver all further instruments and documents and take all further action that the Collateral Agent (upon the consent of a Majority in Interest of the Investors) may reasonably request in order to: (i) perfect and protect the security interest purported to be created hereby; (ii) enable the Collateral Agent to exercise and enforce its rights and remedies hereunder in respect of the Collateral; or (iii) otherwise effect the purposes of this Agreement, including: (A) delivering and pledging to the Collateral Agent hereunder each Promissory Note, Security, Chattel Paper or other Instrument, now or hereafter owned by the Grantor, duly endorsed and accompanied by executed instruments of transfer or assignment, all in form and substance satisfactory to the Collateral Agent (as determined by a Majority in Interest of the Investors), (B) filing or authenticating the filing of, such financing or continuation statements, or amendments thereto, as may be necessary or desirable or that the Collateral Agent may request in order to perfect and preserve the security interest purported to be created hereby, (C) furnishing to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral in each case as the Collateral Agent may reasonably request, all in reasonable detail, (D) if any Collateral shall be in the possession of a third party, notifying such Person of the Collateral Agent's security interest created hereby and obtaining a written acknowledgment from such Person that such Person holds possession of the Collateral for the benefit of the Collateral Agent, which such written acknowledgment shall be in form and substance satisfactory to the Collateral Agent (as determined by a Majority in Interest of the Investors), (E) if at any time after the date hereof, the Grantor acquires or holds any Commercial Tort Claim, promptly notifying the Collateral Agent in a writing signed by the Grantor, setting forth a brief description of such

Commercial Tort Claim and granting to the Collateral Agent a security interest therein and in the proceeds thereof, which writing shall incorporate the provisions hereof and shall be in form and substance satisfactory to the Collateral Agent (as determined by a Majority in Interest of the Investors), (F) upon the acquisition after the date hereof by the Grantor of any motor vehicle or other Equipment subject to a certificate of title or ownership (other than a Motor Vehicle or Equipment that is subject to a purchase money security interest), causing the Collateral Agent to be listed as the lienholder on such certificate of title or ownership and delivering evidence of the same to the Collateral Agent in accordance with the Securities Purchase Agreements; and (G) taking all actions required by any earlier versions of the Uniform Commercial Code or by other law, as applicable, in any relevant Uniform Commercial Code jurisdiction, or by other law as applicable in any foreign jurisdiction.

(b) Location of Equipment and Inventory. The Grantor will keep the Equipment and Inventory at the locations specified therefor in Section 4(c) hereof or, upon not less than ten (10) days' prior written notice to the Collateral Agent accompanied by a new Schedule III hereto indicating each new location of the Equipment and Inventory, at such other locations in the United States.

(c) Condition of Equipment. The Grantor will maintain or cause the Equipment (necessary or useful to its business) to be maintained and preserved in good condition, repair and working order, ordinary wear and tear excepted, and will forthwith make or cause to be made all repairs, replacements and other improvements in connection therewith which are necessary or desirable, consistent with past practice, or which the Collateral Agent may request to such end. The Grantor will promptly furnish to the Collateral Agent a statement describing in reasonable detail any such loss or damage in excess of \$75,000 to any Equipment.

(d) Taxes, Etc. The Grantor agrees to pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment and Inventory, except to the extent the validity thereof is being contested in good faith by proper proceedings which stay the imposition of any penalty, fine or Lien resulting from the non-payment thereof and with respect to which adequate reserves in accordance with GAAP have been set aside for the payment thereof.

(e) Insurance.

(i) The Grantor will, at its own expense, maintain insurance (including commercial general liability and property insurance) with respect to the Equipment and Inventory in such amounts, against such risks, in such form and with responsible and reputable insurance companies or associations as is required by any governmental authority having jurisdiction with respect thereto or as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated and in any event, in amount, adequacy and scope reasonably satisfactory to the Collateral Agent (as determined by a Majority in Interest of the Investors). Each such policy for liability insurance shall provide for all losses to be paid on behalf of the Collateral Agent and the Grantor as their respective interests may appear, and each policy for property damage insurance shall provide for all losses to be adjusted with, and paid directly to, the Collateral Agent. Each such policy shall in addition (A)

name the Collateral Agent as an additional insured party thereunder (without any representation or warranty by or obligation upon the Collateral Agent or the Investors) as their interests may appear, (B) contain an agreement by the insurer that any loss thereunder shall be payable to the Collateral Agent on its own account notwithstanding any action, inaction or breach of representation or warranty by the Grantor, (C) provide that there shall be no recourse against the Collateral Agent for payment of premiums or other amounts with respect thereto, and (D) provide that at least 30 days' prior written notice of cancellation, lapse, expiration or other adverse change shall be given to the Collateral Agent by the insurer. The Grantor will, if so requested by the Collateral Agent, deliver to the Collateral Agent original or duplicate policies of such insurance and, as often as the Collateral Agent may reasonably request, a report of a reputable insurance broker with respect to such insurance. The Grantor will also, at the request of the Collateral Agent, execute and deliver instruments of assignment of such insurance policies and cause the respective insurers to acknowledge notice of such assignment.

(ii) Reimbursement under any liability insurance maintained by the Grantor pursuant to this Section 5(e) may be paid directly to the Person who shall have incurred liability covered by such insurance. In the case of any loss involving damage to Equipment or Inventory and provided that no Event of Default has occurred and is continuing any proceeds of insurance maintained by the Grantor pursuant to this Section 5(e) shall be paid to the Collateral Agent. The Grantor will make or cause to be made the necessary repairs to or replacements of such Equipment or Inventory, and any proceeds of insurance maintained by the Grantor pursuant to this Section 5(e) shall be paid by the Collateral Agent to the Grantor as reimbursement for the costs of such repairs or replacements.

(iii) In the event that an Event of Default has occurred and is continuing or in the event any proceeds are not applied to repair or replacement costs in accordance with paragraph (ii) of this Section 5(e), all insurance proceeds in respect of such Equipment or Inventory shall be paid to the Collateral Agent and applied as specified in Section 7(b) hereof.

(f) Provisions Concerning the Accounts and the Licenses.

(i) The Grantor will (A) give the Collateral Agent at least 30 days' prior written notice of any change in the Grantor's name, identity or organizational structure, (B) maintain its jurisdiction of incorporation as currently in effect, (C) immediately notify the Collateral Agent upon obtaining an organizational identification number, if on the date hereof the Grantor did not have such identification number, and (D) keep adequate records concerning the Accounts and Chattel Paper and permit representatives of the Collateral Agent during normal business hours on reasonable notice to the Grantor, to inspect and make abstracts from such Records and Chattel Paper.

(ii) The Grantor will, except as otherwise provided in this subsection (f), continue to collect, at its own expense, all amounts due or to become due under the Accounts. In connection with such collections, the Grantor may (and, at the Collateral Agent's direction, will) take such action as the Grantor or the Collateral Agent (upon the direction of a Majority in Interest of the Investors) may deem necessary or advisable to enforce collection or performance of the Accounts; provided, however, that the Collateral Agent shall

have the right at any time, upon the occurrence and during the continuance of an Event of Default, to notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Collateral Agent and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Grantor thereunder directly to the Collateral Agent or its designated agent and, upon such notification and at the expense of the Grantor and to the extent permitted by law, to enforce collection of any such Accounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Grantor might have done. After receipt by the Grantor of a notice from the Collateral Agent that the Collateral Agent has notified, intends to notify, or has enforced or intends to enforce the Grantor's rights against the account debtors or obligors under any Accounts upon an Event of Default as referred to in the proviso to the immediately preceding sentence, (A) all amounts and proceeds (including Instruments) received by the Grantor in respect of the Accounts shall be received in trust for the benefit of the Collateral Agent hereunder, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Collateral Agent in the same form as so received (with any necessary endorsement) to be held as cash collateral and so long as an Event of Default be continuing, applied as specified in Section 7(b) hereof, and (B) the Grantor will not adjust, settle or compromise the amount or payment of any Account or release wholly or partly any account debtor or obligor thereof or allow any credit or discount thereon. In addition, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent may (in its sole and absolute discretion upon the direction of a Majority in Interest of the Investors) direct any or all of the banks and financial institutions with which the Grantor either maintains a Deposit Account or a lockbox or deposits the proceeds of any Accounts to send immediately to the Collateral Agent by wire transfer (to such account as the Collateral Agent shall specify, or in such other manner as the Collateral Agent shall direct) all or a portion of such securities, cash, investments and other items held by such institution. Any such securities, cash, investments and other items so received by the Collateral Agent shall (in the sole and absolute discretion of the Collateral Agent) be held as additional Collateral for the Obligations or distributed in accordance with Section 7 hereof.

(iii) Upon the occurrence and during the continuance of any breach or default under any material License referred to in Schedule II hereto by any party thereto other than the Grantor, the Grantor party thereto will, promptly after obtaining knowledge thereof, give the Collateral Agent written notice of the nature and duration thereof, specifying what action, if any, it has taken and proposes to take with respect thereto and thereafter will take reasonable steps to protect and preserve its rights and remedies in respect of such breach or default, or will obtain or acquire an appropriate substitute License.

(iv) The Grantor will exercise promptly and diligently each and every right which it may have under each material License (other than any right of termination) and will duly perform and observe in all respects all of its obligations under each material License and will take all action reasonably necessary to maintain such Licenses in full force and effect.

(g) Transfers and Other Liens.

(i) Grantor will not sell, assign (by operation of law or otherwise), lease, license, exchange or otherwise transfer or dispose of any of the Collateral.

(ii) Grantor will not create, suffer to exist or grant any Lien upon or with respect to any Collateral other than a Lien created or granted with the prior written permission of the Collateral Agent (upon the consent of a Majority in Interest of the Investors, a "Permitted Lien").

(h) Intellectual Property.

(i) If applicable, the Grantor shall, upon the Collateral Agent's written request, duly execute and deliver the applicable Assignment for Security in the form attached hereto as Exhibit A. The Grantor (either itself or through licensees) will take all action necessary to maintain all of the Intellectual Property in full force and effect, including using the proper statutory notices and markings and using the Trademarks on each applicable trademark class of goods in order to so maintain the Trademarks in full force and free from any claim of abandonment for non-use, and the Grantor will not (nor permit any licensee thereof to) do any act or knowingly omit to do any act whereby any Intellectual Property may become invalidated; provided, however, that so long as no Event of Default has occurred and is continuing, the Grantor shall not have an obligation to use or to maintain any Intellectual Property (A) that relates solely to any product or work, that has been, or is in the process of being, discontinued, abandoned or terminated, (B) that is being replaced with Intellectual Property substantially similar to the Intellectual Property that may be abandoned or otherwise become invalid, so long as the failure to use or maintain such Intellectual Property does not materially adversely affect the validity of such replacement Intellectual Property and so long as such replacement Intellectual Property is subject to the Lien created by this Agreement or (C) that is substantially the same as another Intellectual Property that is in full force, so long the failure to use or maintain such Intellectual Property does not materially adversely affect the validity of such replacement Intellectual Property and so long as such other Intellectual Property is subject to the Lien and security interest created by this Agreement. The Grantor will cause to be taken all necessary steps in any proceeding before the United States Patent and Trademark Office and the United States Copyright Office or any similar office or agency in any other country or political subdivision thereof to maintain each registration of the Intellectual Property (other than (i) the Intellectual Property described in the proviso to the immediately preceding sentence and, (ii) other than Intellectual Property which is not material to the Grantor's business with respect to any action required to be taken in any country or political subdivision thereof other than the United States of America), including filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings and payment of maintenance fees, filing fees, taxes or other governmental fees. If any Intellectual Property (other than Intellectual Property described in the proviso to the first sentence of subsection (i) of this clause (h)) is infringed, misappropriated, diluted or otherwise violated in any material respect by a third party, the Grantor shall (x) upon learning of such infringement, misappropriation, dilution or other violation, promptly notify the Collateral Agent and (y) to the extent the Grantor shall deem appropriate under the circumstances, promptly sue for infringement, misappropriation, dilution or other violation, seek injunctive relief where appropriate and recover any and all damages for such infringement, misappropriation, dilution or other violation, or take such other actions as the Grantor shall deem appropriate under the circumstances to protect such Intellectual Property. Promptly following the request of the Collateral Agent, the Grantor shall furnish to the Collateral Agent statements and schedules further identifying and describing the Intellectual Property and Licenses and such other reports in connection with the Intellectual Property and Licenses, all in reasonable detail and, promptly upon request of the Collateral Agent,

following receipt by the Collateral Agent of any such statements, schedules or reports, the Grantor shall modify this Agreement by amending Schedule II hereto, as the case may be, to include any Intellectual Property and License, as the case may be, which becomes part of the Collateral under this Agreement and shall execute and authenticate such documents and do such acts as shall be necessary or, in the judgment of the Collateral Agent (as determined by a Majority in Interest of the Investors), desirable to subject such Intellectual Property and Licenses to the Lien and security interest created by this Agreement. Notwithstanding anything herein to the contrary, upon the occurrence and during the continuance of an Event of Default, the Grantor may not abandon or otherwise permit any Intellectual Property to become invalid without the prior written consent of the Collateral Agent (as determined by a Majority in Interest of the Investors), and if any Intellectual Property is infringed, misappropriated, diluted or otherwise violated in any material respect by a third party, the Grantor will take such action as the Collateral Agent (as determined by a Majority in Interest of the Investors) shall deem appropriate under the circumstances to protect such Intellectual Property.

(ii) In no event shall Grantor, either itself or through any agent, employee, licensee or designee, file an application for the registration of any Trademark or Copyright or the issuance of any Patent with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, or in any similar office or agency of the United States or any country or any political subdivision thereof unless it gives the Collateral Agent prior written notice thereof. Upon request of the Collateral Agent, the Grantor shall execute, authenticate and deliver any and all assignments, agreements, instruments, documents and papers as the Collateral Agent (upon the consent of a Majority in Interest of the Investors) may reasonably request to evidence the Collateral Agent's security interest hereunder in such Intellectual Property and the General Intangibles of the Grantor relating thereto or represented thereby, and the Grantor hereby appoints the Collateral Agent its attorney-in-fact to execute and/or authenticate and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed, and such power (being coupled with an interest) shall be irrevocable until the termination of this Agreement in accordance with Section 11(f) hereof.

(iii) The Grantor, as soon as practicable after the date hereof (but in no event more than 30 days after the date hereof), use its reasonable best efforts to enter into an escrow agreement with an escrow agent acceptable to the Collateral Agent, in the Collateral Agent's reasonable discretion (as determined by a Majority in Interest of the Investors), providing for the source code underlying the Grantor's software to be transferred to and held in escrow by the escrow agent, and to be released to the Collateral Agent, for the benefit of the Investors, upon certain events, including an Event of Default. The escrow agreement shall contain customary terms, including an undertaking by the Grantor to deliver to the escrow agent all improvements and modifications to the source code.

(i) Deposit, Commodities and Securities Accounts. Upon the Collateral Agent's written request the Grantor shall cause each bank and other financial institution with an account referred to in Schedule IV hereto to execute and deliver to the Collateral Agent a control agreement, in form and substance reasonably satisfactory to the Collateral Agent (as determined by a Majority in Interest of the Investors), duly executed by the Grantor and such bank or financial institution, or enter into other arrangements in form and substance satisfactory to the Collateral Agent, pursuant to which such institution shall irrevocably agree, *inter alia*, that (i) it

will comply at any time with the instructions originated by the Collateral Agent to such bank or financial institution directing the disposition of cash, Commodity Contracts, securities, Investment Property and other items from time to time credited to such account, without further consent of the Grantor, which instructions the Collateral Agent will not give to such bank or other financial institution in the absence of a continuing Event of Default, (ii) all cash, Commodity Contracts, securities, Investment Property and other items of the Grantor deposited with such institution shall be subject to a perfected, first priority security interest in favor of the Collateral Agent, (iii) any right of set off, banker's Lien or other similar Lien, security interest or encumbrance shall be fully waived as against the Collateral Agent, and (iv) upon receipt of written notice from the Collateral Agent during the continuance of an Event of Default, such bank or financial institution shall immediately send to the Collateral Agent by wire transfer (to such account as the Collateral Agent shall specify, or in such other manner as the Collateral Agent shall direct) all such cash, the value of any Commodity Contracts, securities, Investment Property and other items held by it. Without the prior written consent of the Collateral Agent (as determined by a Majority in Interest of the Investors), the Grantor shall not make or maintain any Deposit Account, Commodity Account or Securities Account except for the accounts set forth in Schedule IV hereto. The provisions of this paragraph 5(i) shall not apply to (i) Deposit Accounts for which the Collateral Agent is the depository and (ii) Deposit Accounts specially and exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of the Grantor's salaried employees.

(j) Motor Vehicles.

(i) Upon the Collateral Agent's written request, the Grantor shall deliver to the Collateral Agent originals of the certificates of title or ownership for all motor vehicles owned by it with the Collateral Agent listed as lienholder, for the benefit of the Collateral Agent.

(ii) The Grantor hereby appoints the Collateral Agent as its attorney-in-fact, effective the date hereof and terminating upon the termination of this Agreement, for the purpose of (A) executing on behalf of the Grantor title or ownership applications for filing with appropriate state agencies to enable motor vehicles now owned or hereafter acquired by the Grantor to be retitled and the Collateral Agent listed as lienholder thereof, (B) filing such applications with such state agencies, and (C) executing such other documents and instruments on behalf of, and taking such other action in the name of, the Grantor as the Collateral Agent (upon the direction of a Majority in Interest of the Investors) may deem necessary or advisable to accomplish the purposes hereof (including for the purpose of creating in favor of the Collateral Agent a perfected Lien on the motor vehicles and exercising the rights and remedies of the Collateral Agent hereunder). This appointment as attorney-in-fact is coupled with an interest and is irrevocable until the termination of this Agreement in accordance with Section 11(e) hereof.

(iii) Any certificates of title or ownership delivered pursuant to the terms hereof shall be accompanied by odometer statements for each motor vehicle covered thereby.

(iv) So long as no Event of Default shall have occurred and be continuing, upon the request of the Grantor, the Collateral Agent shall execute and deliver to the

Grantor such instruments as the Grantor shall reasonably request to remove the notation of the Collateral Agent as lienholder on any certificate of title for any motor vehicle; provided, however, that any such instruments shall be delivered, and the release effective, only upon receipt by the Collateral Agent of a certificate from the Grantor stating that such motor vehicle is to be sold or has suffered a casualty loss (with title thereto passing to the casualty insurance company therefor in settlement of the claim for such loss) and the amount that the Grantor will receive as sale proceeds or insurance proceeds. Any proceeds of such sale or casualty loss shall be paid to the Collateral Agent hereunder immediately upon receipt, to be applied in accordance with Section 5(e)(iii) hereof.

(k) Control. The Grantor hereby agrees to take any or all action that may be necessary or desirable or that the Collateral Agent (upon the direction of a Majority in Interest of the Investors) may request in order for the Collateral Agent to obtain control in accordance with Sections 9-105 – 9-107 of the Code with respect to the following Collateral: (i) Electronic Chattel Paper, (ii) Investment Property, and (iii) Letter-of-Credit Rights.

(l) Inspection and Reporting. The Grantor shall permit the Collateral Agent, or any agent or representatives thereof or such professionals or other Persons as the Collateral Agent may designate, not more than once a year in the absence of an Event of Default, (i) to examine and make copies of and abstracts from the Grantor's records and books of account, (ii) to visit and inspect its properties, (iii) to verify materials, leases, Instruments, Accounts, Inventory and other assets of the Grantor from time to time, (iii) to conduct audits, physical counts, appraisals and/or valuations, examinations at the locations of the Grantor. The Grantor shall also permit the Collateral Agent, or any agent or representatives thereof or such professionals or other Persons as the Collateral Agent may designate to discuss the Grantor's affairs, finances and accounts with any of its directors, officers, managerial employees, independent accountants or any of its other representatives.

(m) Future Subsidiaries. If the Grantor shall hereafter create or acquire any Subsidiary, simultaneously with the creation of acquisition of such Subsidiary, the Grantor shall cause such Subsidiary to become a party to this Agreement as an additional "Grantor" hereunder, and to duly execute and deliver a guaranty of the Obligations in favor of the Collateral Agent, in form and substance reasonably acceptable to the Collateral Agent (as determined by a Majority in Interest of the Investors), and to duly execute and/or deliver such opinions of counsel and other documents, in form and substance acceptable to the Collateral Agent (as determined by the Majority in Interest of the Investors), as the Collateral Agent shall reasonably request with respect thereto.

(n) Investment Property. With respect to any Investment Property now or hereafter included in the Collateral, the Grantor shall deliver to the Collateral Agent the certificates evidencing such Investment Property duly indorsed by an effective indorsement (within the meaning of Section 8-107 of the UCC), or accompanied by share transfer powers or other instruments of transfer duly endorsed by such an effective endorsement, in each case, to the Collateral Agent or in blank.

SECTION 6. Additional Provisions Concerning the Collateral.

(a) The Grantor hereby (i) authorizes the Collateral Agent to file one or more Uniform Commercial Code financing or continuation statements, and amendments thereto, relating to the Collateral and (ii) ratifies such authorization to the extent that the Collateral Agent has filed any such financing or continuation statements, or amendments thereto, prior to the date hereof. A photocopy or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(b) The Grantor hereby irrevocably appoints the Collateral Agent as its attorney-in-fact and proxy, 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 Collateral Agent's discretion, so long as an Event of Default shall have occurred and is continuing, to take any action and to execute any instrument which the Collateral Agent (upon the direction of a Majority in Interest of the Investors) may deem necessary or advisable to accomplish the purposes of this Agreement, including (i) to obtain and adjust insurance required to be paid to the Collateral Agent pursuant to Section 5(e) hereof, (ii) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any Collateral, (iii) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper in connection with clause (i) or (ii) above, (iv) to file any claims or take any action or institute any proceedings which the Collateral Agent (upon the direction of a Majority in Interest of the Investors) may deem necessary or desirable for the collection of any Collateral or otherwise to enforce the rights of the Collateral Agent and the Collateral Agent with respect to any Collateral, and (v) to execute assignments, licenses and other documents to enforce the rights of the Collateral Agent and the Collateral Agent with respect to any Collateral. This power is coupled with an interest and is irrevocable until termination of this Agreement in accordance with Section 11(f) hereof.

(c) For the purpose of enabling the Collateral Agent to exercise rights and remedies hereunder, at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, the Grantor hereby grants to the Collateral Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Grantor) to use, assign, license or sublicense any Intellectual Property now owned or hereafter acquired by the Grantor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof. Notwithstanding anything contained herein to the contrary, but subject to the provisions of the Securities Purchase Agreements that limit the right of the Grantor to dispose of its property and Section 5(h) hereof, so long as no Event of Default shall have occurred and be continuing, the Grantor may exploit, use, enjoy, protect, license, sublicense, assign, sell, dispose of or take other actions with respect to the Intellectual Property in the ordinary course of its business. In furtherance of the foregoing, unless an Event of Default shall have occurred and be continuing, the Collateral Agent shall from time to time, upon the request of the Grantor, execute and deliver any instruments, certificates or other documents, in the form so requested, which the Grantor shall have certified are appropriate (in the Grantor's judgment) to allow it to take any action permitted above (including relinquishment of the license provided pursuant to this clause

(c) as to any Intellectual Property). Further, upon the termination of this Agreement in accordance with Section 11(f) hereof, the Collateral Agent (subject to Section 11(f) hereof) shall release and reassign to the Grantor all of the Collateral Agent's right, title and interest in and to the Intellectual Property, and the Licenses, all without recourse, representation or warranty whatsoever. The exercise of rights and remedies hereunder by the Collateral Agent shall not terminate the rights of the holders of any licenses or sublicenses theretofore granted by the Grantor in accordance with the second sentence of this clause (c). The Grantor hereby releases the Collateral Agent and from any claims, causes of action and demands at any time arising out of or with respect to any actions lawfully taken or omitted to be taken by the Collateral Agent in accordance with this Agreement under the powers of attorney granted herein other than actions taken or omitted to be taken through the Collateral Agent's gross negligence or willful misconduct, as determined by a final determination of a court of competent jurisdiction.

(d) If the Grantor fails to perform any agreement contained herein, the Collateral Agent (upon the consent of a Majority in Interest of the Investors) may itself perform, or cause performance of, such agreement or obligation, in the name of the Grantor or the Collateral Agent, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by the Grantor pursuant to Section 8 hereof and shall be secured by the Collateral.

(e) The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

(f) Anything herein to the contrary notwithstanding (i) the Grantor shall remain liable under the Licenses and otherwise with respect to any of the Collateral to the extent set forth therein to perform all of its obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Collateral Agent of any of its rights hereunder shall not release the Grantor from any of its obligations under the Licenses or otherwise in respect of the Collateral, and (iii) the Collateral Agent shall not have any obligation or liability by reason of this Agreement under the Licenses or with respect to any of the other Collateral, nor shall the Collateral Agent 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 7. Remedies Upon Event of Default. If any Event of Default shall have occurred and be continuing:

(a) The Collateral Agent may exercise in respect of the Collateral, all of the rights and remedies of a secured party upon default under the Code (whether or not the Code applies to the affected Collateral) or at law or equity generally, including to: (i) take absolute control of the Collateral, including transfer into the Collateral Agent's name or into the name of its nominee or nominees (to the extent the Collateral Agent has not theretofore done so) and thereafter receive, for the benefit of the Investor, all payments made thereon, give all consents, waivers and ratifications in respect thereof and otherwise act with respect thereto as though it were the outright owner thereof, (ii) require the Grantor to, and the Grantor hereby agrees that it will at its

expense and upon request of the Collateral Agent and the Investors forthwith, assemble all or part of its respective Collateral as directed by the Collateral Agent and the Investors and make it available to the Collateral Agent and the Investors at a place or places to be designated by the Collateral Agent and the Investors that is reasonably convenient to all parties, and the Collateral Agent may enter into and occupy any premises owned or leased by the Grantor where the Collateral or any part thereof is located or assembled for a reasonable period in order to effectuate the Collateral Agent and the Investors' 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 and without any obligation to prepare or process the Collateral for sale, (A) sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Collateral Agent (upon the direction of a Majority in Interest of the Investors) may deem commercially reasonable and/or (B) lease, license or dispose of the Collateral or any part thereof upon such terms as the Collateral Agent (upon the direction of a Majority in Interest of the Investors) may deem commercially reasonable. The Grantor agrees that, to the extent notice of sale or any other disposition of its respective Collateral shall be required by 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 or other disposition of its respective Collateral is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale or other disposition of any Collateral regardless of notice of sale having been given. The Collateral 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. The Grantor hereby waives any claims against the Collateral Agent arising by reason of the fact that the price at which its respective Collateral may have been sold at a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Obligations, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree, and waives all rights that the Grantor may have to require that all or any part of such Collateral be marshalled upon any sale (public or private) thereof. The Grantor hereby acknowledges that (i) any such sale of its respective Collateral by the Collateral Agent shall be made without warranty, (ii) the Collateral Agent may specifically disclaim any warranties of title, possession, quiet enjoyment or the like, and (iii) such actions set forth in clauses (i) and (ii) above shall not adversely effect the commercial reasonableness of any such sale of Collateral. In addition to the foregoing, (1) upon written notice to the Grantor from the Collateral Agent, the Grantor shall cease any use of the Intellectual Property or any trademark, patent or copyright similar thereto for any purpose described in such notice; (2) the Collateral Agent may, at any time and from time to time, upon 10 days' prior notice to the Grantor, license, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any of the Intellectual Property, throughout the universe for such term or terms, on such conditions, and in such manner, as the Collateral Agent (upon the direction of a Majority in Interest of the Investors) shall in its sole discretion determine; and (3) the Collateral Agent may, at any time, pursuant to the authority granted in Section 6 hereof (such authority being effective upon the occurrence and during the continuance of an Event of Default), execute and deliver on behalf of the Grantor, one or more instruments of assignment of the Intellectual Property (or any application or registration thereof), in form suitable for filing, recording or registration in any country.

(b) Any cash held by the Collateral Agent as Collateral and all Cash Proceeds received by the Collateral Agent in respect of any sale of or collection from, or other realization upon, all or any part of the Collateral may, in the discretion of the Collateral Agent (as determined by a Majority in Interest of the Investors), be held by the Collateral Agent as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Collateral Agent pursuant to Section 8 hereof) in whole or in part by the Collateral Agent against, all or any part of the Obligations in the following order, consistent with the provisions of the Securities Purchase Agreements:

(i) First, to the payment of reasonable costs and expenses, including all amounts expended to preserve the value of the Collateral, of foreclosure or suit, if any, and of such sale and the exercise of any other rights or remedies, and of all proper fees, expenses, liability and advances, including reasonable legal expenses and attorneys' fees, incurred or made hereunder by Collateral Agent;

(ii) Second, to the payment to each Investor of the amount then owing or unpaid on such Investor's Note, and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon such Note, then its Pro Rata Share (as defined below) of the amount remaining to be distributed (to be applied first to accrued interest and second to outstanding principal);

(iii) Third, to the payment of other amounts then payable to each Investor under any of the Transaction Documents, and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid under such Transaction Documents, then its Pro Rata Share of the amount remaining to be distributed; and

(iv) Fourth, to the payment of the surplus, if any, to Company, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same. Any surplus of such cash or Cash Proceeds held by the Collateral Agent and remaining after the indefeasible payment in full in cash of all of the Obligations shall be paid over to whomsoever shall be lawfully entitled to receive the same or as a court of competent jurisdiction shall direct.

For purposes of this Agreement, the term "*Pro Rata Share*" shall mean, when calculating an Investor's portion of any distribution or amount, that distribution or amount (expressed as a percentage) equal to a fraction (i) the numerator of which is the original outstanding principal amount of such Investor's Note and (ii) the denominator of which is the original aggregate outstanding principal amount of all Notes issued under the Securities Purchase Agreements. In the event that an Investor receives payments or distributions in excess of its Pro Rata Share, then such Investor shall hold in trust all such excess payments or distributions for the benefit of the other Investors and shall pay such amounts held in trust to such other Investors upon demand by such Investors.

(c) In the event that the proceeds of any such sale, collection or realization are insufficient to pay all amounts to which the Collateral Agent and/or the Investors are legally entitled, the Grantor shall be liable for the deficiency, together with interest thereon at the highest rate specified in any of the applicable Transaction Documents for interest on overdue principal thereof or such other rate as shall be fixed by applicable law, together with the costs of

collection and the reasonable fees, costs, expenses and other client charges of any attorneys employed by the Collateral Agent and/or the Investors to collect such deficiency.

(d) The Grantor hereby acknowledges that if the Collateral Agent complies with any applicable state, provincial, or federal law requirements in connection with a disposition of the Collateral, such compliance will not adversely affect the commercial reasonableness of any sale or other disposition of the Collateral.

(e) The Collateral Agent shall not be required to marshal any present or future collateral security (including, but not limited to, this Agreement and the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of the Collateral Agent's rights hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights, however existing or arising. To the extent that the Grantor lawfully may, the Grantor hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Collateral Agent's rights under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, the Grantor hereby irrevocably waives the benefits of all such laws.

SECTION 8. Indemnity and Expenses.

(a) The Grantor agrees to defend, protect, indemnify and hold the Collateral Agent and the Investors harmless from and against any and all claims, damages, losses, liabilities, obligations, penalties, fees, costs and expenses (including reasonable legal fees, costs, expenses, and disbursements of such Person's counsel) to the extent that they arise out of or otherwise result from this Agreement (including enforcement of this Agreement), except claims, losses or liabilities resulting solely and directly from such Person's gross negligence or willful misconduct, as determined by a final judgment of a court of competent jurisdiction.

(b) The Grantor agrees to, upon demand, pay to the Collateral Agent the amount of any and all costs and expenses, including the reasonable fees, costs, expenses and disbursements of counsel for the Collateral Agent and of any experts and agents, which the Collateral Agent may incur in connection with (i) the preparation, negotiation, execution, delivery, recordation, administration, amendment, waiver or other modification or termination of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any Collateral, (iii) the exercise or enforcement of any of the rights of the Collateral Agent hereunder, or (iv) the failure by the Grantor to perform or observe any of the provisions hereof.

SECTION 9. Notices, Etc. Whenever notice is required to be given hereunder, unless otherwise provided herein, such notice shall be given (and shall become effective) in accordance with Section 11.2 of the NCI Securities Purchase Agreement or Section 11.2 of the Ascend Securities Purchase Agreement, as applicable.

SECTION 10. Collateral Agent.

(a) Appointment. The Investors hereby appoint NCI as the collateral agent for the Investors under this Agreement (in such capacity, the “*Collateral Agent*”) to serve from the date hereof until the termination of this Agreement.

(b) Powers and Duties of the Collateral Agent, Indemnity by the Investors.

(i) Each Investor hereby irrevocably authorizes the Collateral Agent to take such action and to exercise such powers hereunder as provided herein or as requested in writing by a Majority in Interest of the Investors in accordance with the terms hereof, together with such powers as are reasonably incidental thereto. The Collateral Agent may execute any of its duties hereunder by or through agents or employees and shall be entitled to request and act in reliance upon the advice of counsel concerning all matters pertaining to its duties hereunder and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance therewith.

(ii) Neither the Collateral Agent nor any of its directors, officers or employees shall be liable or responsible to any Investor or to Company for any action taken or omitted to be taken by the Collateral Agent or any other such person hereunder or under any related agreement, instrument or document, except in the case of gross negligence or willful misconduct on the part of the Collateral Agent, nor shall the Collateral Agent or any of its directors, officers or employees be liable or responsible for (i) the validity, effectiveness, sufficiency, enforceability or enforcement of the Notes, this Agreement or any instrument or document delivered hereunder or relating hereto; (ii) the title of Company to any of the Collateral or the freedom of any of the Collateral from any prior or other liens or security interests; (iii) the determination, verification or enforcement of Company’s compliance with any of the terms and conditions of this Agreement; (iv) the failure by Company to deliver any instrument or document required to be delivered pursuant to the terms hereof; or (v) the receipt, disbursement, waiver, extension or other handling of payments or proceeds made or received with respect to the collateral, the servicing of the Collateral or the enforcement or the collection of any amounts owing with respect to the Collateral.

(iii) In the case of this Agreement and the transactions contemplated hereby and any related document relating to any of the Collateral, each of the Investors agrees to pay to the Collateral Agent, on demand, its Pro Rata Share of all fees and all expenses incurred in connection with the operation and enforcement of this Agreement, the Notes or any related agreement to the extent that such fees or expenses have not been paid by Company. In the case of this Agreement and each instrument and document relating to any of the Collateral, each of the Investors and the Company hereby agrees to hold the Collateral Agent harmless, and to indemnify the Collateral Agent from and against any and all loss, damage, expense or liability which may be incurred by the Collateral Agent under this Agreement and the transactions

contemplated hereby and any related agreement or other instrument or document, as the case may be, unless such liability shall be caused by the willful misconduct or gross negligence of the Collateral Agent.

SECTION 11. Miscellaneous.

(a) No amendment of any provision of this Agreement shall be effective unless it is in writing and signed by the Grantor and the Collateral Agent (upon the consent of a Majority in Interest of the Investors), and no waiver of any provision of this Agreement, and no consent to any departure by the Grantor therefrom, shall be effective unless it is in writing and signed by the Collateral Agent (upon the consent of a Majority in Interest of the Investors), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) No failure on the part of the Collateral Agent to exercise, and no delay in exercising, any right hereunder or under any of the other Transaction Documents 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. The rights and remedies of the Collateral Agent and the Investors provided herein and in the other Transaction Documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights of the Collateral Agent and the Investors under any of the other Transaction Documents against any party thereto are not conditional or contingent on any attempt by such Person to exercise any of its rights under any of the other Transaction Documents against such party or against any other Person, including but not limited to, the Grantor.

(c) The Grantor shall pay or reimburse for all fees and expenses (including the fees and disbursements of counsel, accounting, financial, technical and market services and other professional advisors) incurred by NCI in connection with the negotiation, execution and delivery of the Transaction Documents in an amount not to exceed \$30,000; provided, however, for the avoidance of doubt, the preceding obligation by the Grantor to pay or reimburse NCI for all such fees and expenses not to exceed \$30,000 shall include (and not be in addition to) the Grantor's obligations to NCI pursuant to Section 11.1 of the NCI Securities Purchase Agreement; provided, further, Grantor shall pay any and all costs and expenses set forth in Section 8(b) of this Agreement.

(d) Any provision of this 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 portions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

(e) This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until the termination of this Agreement in accordance with Section 11(f), and (ii) be binding on the Grantor and all other Persons who become bound as debtor to this Agreement in accordance with Section 9-203(d) of the Code and shall inure, together with all rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and its permitted successors, transferees and assigns. Without limiting the generality of clause (ii) of the immediately preceding sentence, without notice to the Grantor, the

Collateral Agent and any of the Investors may assign or otherwise transfer their respective rights and obligations under this Agreement and any of the other Transaction Documents in accordance with the terms thereof, to any other Person and such other Person shall thereupon become vested with all of the benefits in respect thereof granted to the Collateral Agent or such Investor, as applicable, herein or otherwise. Upon any such assignment or transfer, all references in this Agreement to the Collateral Agent or such Investor, as applicable, shall mean the assignee of the Collateral Agent or such Investor. None of the rights or obligations of the Grantor hereunder may be assigned or otherwise transferred without the prior written consent of the Collateral Agent and the Investors, and any such assignment or transfer without the consent of the Collateral Agent and the Investors shall be null and void.

(f) Notwithstanding anything to the contrary in this Agreement, (i) this Agreement (along with all powers of attorney granted hereunder) and the security interests created hereby shall terminate and all rights to the Collateral shall revert to the respective Grantor that granted such security interests hereunder, upon the repayment in full and/or complete conversion to equity securities of the Grantor of all indebtedness obligations owed by the Grantor to Investors under the Notes (including all principal, interest and fees related to the Notes) and (ii) upon such termination, the Investors will, upon the Grantor's request and at the Grantor's expense, (A) return to the Grantor such of the Collateral as shall not have been sold or otherwise disposed of or applied pursuant to the terms hereof, and (B) execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination, all without any representation, warranty or recourse whatsoever.

(G) THE INTERNAL LAWS, AND NOT THE LAWS OF CONFLICTS, OF DELAWARE SHALL GOVERN THE ENFORCEABILITY AND VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION OF ITS TERMS AND THE INTERPRETATION OF THE RIGHTS AND DUTIES OF THE PARTIES, EXCEPT AS REQUIRED BY MANDATORY PROVISIONS OF LAW AND EXCEPT TO THE EXTENT THAT THE VALIDITY AND PERFECTION OR THE PERFECTION AND THE EFFECT OF PERFECTION OR NON-PERFECTION OF THE SECURITY INTEREST CREATED HEREBY, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAW OF A JURISDICTION OTHER THAN THE STATE OF DELAWARE.

(H) EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA OR ANY STATE COURT OF THE STATE OF CALIFORNIA SITTING IN ORANGE COUNTY IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY. NO PARTY TO THIS AGREEMENT MAY MOVE TO (I) TRANSFER ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH CALIFORNIA COURT OR FEDERAL COURT TO ANOTHER JURISDICTION, (II) CONSOLIDATE ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH CALIFORNIA COURT OR FEDERAL COURT WITH A SUIT, ACTION OR PROCEEDING IN ANOTHER JURISDICTION OR (III) DISMISS ANY SUCH SUIT, ACTION OR

PROCEEDING BROUGHT IN SUCH CALIFORNIA COURT OR FEDERAL COURT FOR THE PURPOSE OF BRINGING THE SAME IN ANOTHER JURISDICTION. EACH PARTY TO THIS AGREEMENT AGREES THAT A FINAL JUDGMENT IN ANY SUCH SUIT, ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE TRANSACTION DOCUMENTS IN ANY CALIFORNIA COURT SITTING IN THE COUNTY OF ORANGE OR ANY FEDERAL COURT SITTING IN THE CENTRAL DISTRICT OF CALIFORNIA. EACH PARTY TO THIS AGREEMENT HEREBY CONSENTS TO THE SERVICE OF PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING BY NOTICE IN THE MANNER SPECIFIED IN SECTION 9.

(i) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTION DOCUMENTS.

(j) The Grantor irrevocably consents to the service of process of any of the aforesaid courts in any such action, suit or proceeding by the mailing of copies thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Grantor at its address provided herein, such service to become effective 10 days after such mailing.

(k) Nothing contained herein shall affect the right of the Collateral Agent and/or the Investors to serve process in any other manner permitted by law or commence legal proceedings or otherwise proceed against the Grantor or any property of the Grantor in any other jurisdiction.

(l) The Grantor irrevocably and unconditionally waives any right it may have to claim or recover in any legal action, suit or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

(m) The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

(n) This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together constitute one in the same Agreement.

[Signature Page Follows]

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

NEXTMEDIUM, INC.

By: 

Name: DAVID BLUHM

Title: CEO

Address:

ACCEPTED BY:

NEWPORT COAST INVESTMENTS, LLC

By: 

Name: RYAN STECLBERG

Title: Pres & CEO

Address:

ASCEND VENTUERS II, L.P.

By: _____

Name:

Title:

Address:

[Signature Page to Amended and Restated Security Agreement]

TRADEMARK
REEL: 003992 FRAME: 0204

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

NEXTMEDIUM, INC.

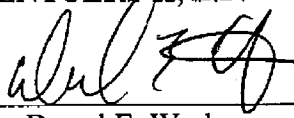
By: _____
Name:
Title:
Address:

ACCEPTED BY:

NEWPORT COAST INVESTMENTS, LLC

By: _____
Name:
Title:
Address:

ASCEND VENTUERS II, L.P.

By:  _____
Name: Darryl E. Wash
Title: Managing Partner
Address: 1500 Broadway, 14th Floor
New York, NY 10036

SCHEDULE I

LEGAL NAMES; ORGANIZATIONAL IDENTIFICATION NUMBERS; STATES OR
JURISDICTION OF ORGANIZATION

NextMedium, Inc. Formerly OrderByT.V., Inc.

Tax ID #: 54-2041111

State of Delaware: 3242789

Incorporated as OrderByT.V., Inc. on June 12, 2000, Amended and Restated
Articles of Incorporation filed on February 22, 2005 changing name to
NextMedium, Inc.

SCHEDULE II

INTELLECTUAL PROPERTY AND LICENSES

Patents:

- Utility Application, U.S. Serial No. 11/748,670, filed May 15, 2007. The U.S. utility application has now been published as U.S. Publication No. 2008/0065508.
- International Application filed under the Patent Cooperation Treaty (PCT), PCT/US07/68945, filed May 15, 2007.

Trademarks:

Word Mark	NEXTMEDIUM
Goods and Services	IC 042. US 100 101. G & S: Providing temporary use of on-line non-downloadable software for in the field of brand integration and product placement for use in measuring and providing access to brand integration and product placement data, for advertising brand integration and product placement opportunities, and for enabling brand integration and product placement transactions between buyers and sellers. FIRST USE: 20050830. FIRST USE IN COMMERCE: 20050830
Standard Characters Claimed	
Mark Drawing Code	(4) STANDARD CHARACTER MARK
Serial Number	78972982
Filing Date	September 13, 2006
Current Filing Basis	1A
Original Filing Basis	1A
Published for Opposition	May 8, 2007
Registration Number	3268386
Registration Date	July 24, 2007
Owner	(REGISTRANT) NextMedium, Inc. CORPORATION DELAWARE 11900 West Olympic Blvd., Suite 780 Los Angeles CALIFORNIA 90064
Attorney of Record	David H. Judson

Type of Mark SERVICE MARK
Register PRINCIPAL
Live/Dead Indicator LIVE

Word Mark **EMBED**

Goods and Services IC 042. US 100 101. G & S: Application service provider (ASP) featuring software in the field of advertising for use in enabling third party entities to create, transact, manage and monitor brand integration and product placement opportunities over a computer network. FIRST USE: 20060516. FIRST USE IN COMMERCE: 20060516

Standard Characters Claimed

Mark Drawing Code (4) STANDARD CHARACTER MARK

Serial Number 77001942

Filing Date September 19, 2006

Current Filing Basis 1A

Original Filing Basis 1A

Published for Opposition May 1, 2007

Registration Number 3264048

Registration Date July 17, 2007

Owner (REGISTRANT) NextMedium, Inc. CORPORATION DELAWARE 11900 West Olympic Blvd., Suite 780 Los Angeles CALIFORNIA 90064

Attorney of Record David H. Judson

Type of Mark SERVICE MARK
Register PRINCIPAL
Live/Dead Indicator LIVE

Domain Names:

- NextMedium.com
- Shopcast.net
- brandintegrationupfront.com
- brantintegrationupfronts.com
- embed.tv
- entertainment-iq.com
- filmupfronts.com
- integrationupfronts.com
- musicupfronts.com
- nextmediumupfronts.com
- orderbytv.com
- Incontent.tv
- In-content.tv
- In-content.com
- bet-nextmedium.com
- mtv-next.com
- nbc-next.com

Licenses:

- License Agreement dated April 16, 2007 by and between NextMedium, Inc. and Nielson Media Research, Inc.
- License Agreement by and between NextMedium, Inc. and NBC.
- License Agreement by and between NextMedium, Inc. and Universal.
- License Agreement by and between NextMedium, Inc. and MTV.

Section 4(e): NextMedium, Inc.'s contracts are subject to interpretation based on the course of dealing between the parties thereto.

SCHEDULE III

LOCATION

Description of Location (State if Location
(i) contains Rolling Stock, other Equipment,
Fixtures,
Goods or Inventory,
(ii) is chief place of business and
chief executive office, or
(iii) contains Records concerning Accounts
and originals of Chattel Paper)

Corporate Headquarters: (contains records)	11900 W. Olympic Blvd #780 Los Angeles, CA 90064
Contents:	Computer Equipment, Furniture & Fixtures
Silicon Valley Office:	100 View Street #200 Mountain View, CA 94041
Contents:	Computer Equipment, Furniture & Fixtures

SCHEDULE IV

PROMISSORY NOTES, SECURITIES, DEPOSIT ACCOUNTS, SECURITIES ACCOUNTS
AND COMMODITIES ACCOUNTS

Promissory Notes:

- Promissory Notes issued pursuant to that certain Note and Warrant Purchase Agreement dated February 15, 2008, as amended.
- Senior Secured Convertible Promissory Note issued pursuant to that certain Bridge Loan Securities Purchase Agreement and that certain Security Agreement, each by and between NextMedium, Inc. and Newport Coast Investments, LLC (“*NCI*”) and dated July 30, 2008 (collectively, the “*NCI Bridge Documents*”). In connection with the *NCI Bridge Documents*, *NCI* filed a UCC-1 Financing Statement with the Secretary of State of Delaware on July 30, 2008.

Securities and Other Instruments:

- None

Name and Address
of Institution

Maintaining Account

Account Number

Type of Account

Citibank
PO Box 26892
San Francisco, CA 94126-6892

201045036

Checking

Citibank
PO Box 26892
San Francisco, CA 94126-6892

201898269

Checking (Flow-Thru Acct)

UBS Financial Services
1200 Prospect St.
Suite 500
La Jolla, CA 92037-2268

VR 06178 TC

Money Market Acct

SCHEDULE V

UCC-1 FINANCING STATEMENTS

NextMedium Inc.'s deposit accounts will not be subject to a first priority lien until such time as NextMedium, Inc. has entered into account control agreements with the Investor.

SCHEDULE VI

COMMERCIAL TORT CLAIMS

None.

ASSIGNMENT FOR SECURITY