

02-01-2000



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NRD 12-22-99

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type		Conveyance Type	
<input checked="" type="checkbox"/> New	<input type="checkbox"/> Resubmission (Non-Recordation) Document ID# _____	<input type="checkbox"/> Assignment	<input checked="" type="checkbox"/> Security Agreement
<input type="checkbox"/> Correction of PTO Error Reel # _____ Frame # _____	<input type="checkbox"/> Corrective Document Reel # _____ Frame # _____	<input type="checkbox"/> License	<input type="checkbox"/> Change of Name
		<input type="checkbox"/> Merger	<input type="checkbox"/> Other _____
		U.S. Government (For Use ONLY by U.S. Government Agencies)	
		<input type="checkbox"/> Departmental File	<input type="checkbox"/> Secret File

Conveying Party(ies) Mark if additional names of conveying parties attached

Name (line 1) SERVICEWARE, INC. Execution Date Month Day Year 12 10 99

Name (line 2) _____

Second Party

Name (line 1) _____ Execution Date Month Day Year _____

Name (line 2) _____

Receiving Party Mark if additional names of receiving parties attached

Name (line 1) PNC BANK, NATIONAL ASSOCIATION If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Name (line 2) _____

Address (line 1) 333 ALLEGHENY AVENUE

Address (line 2) _____

Address (line 3) OAKMONT City PA State/Country 15139 Zip Code

Domestic Representative Name and Address Enter for the first Receiving Party only.

Name _____

Address (line 1) _____

Address (line 2) _____

Address (line 3) _____

Address (line 4) _____

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Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, B.C. 20231

PATENT
REEL: 010506 FRAME: 0259

Correspondent Name and Address **Area Code and Telephone Number**

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages **Enter the total number of pages of the attached conveyance document including any attachments.** #

Application Number(s) or Patent Number(s) **Mark if additional numbers attached**

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)			Patent Number(s)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="5,797,135"/>	<input type="text" value="5,787,234"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor. Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number **only if a U.S. Application Number has not been assigned.**

PCT PCT PCT

PCT PCT PCT

Number of Properties **Enter the total number of properties involved.** #

Fee Amount **Fee Amount for Properties Listed (37 CFR 3.41):** \$

Method of Payment: Enclosed Deposit Account

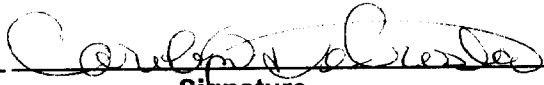
Deposit Account
(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

CAROLYN DECROSTA  12/21/99

Name of Person Signing **Signature** **Date**

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "**Agreement**") is made as of December 10, 1999 by and between **SERVICEWARE, INC.**, a Pennsylvania corporation (the "**Grantor**"), with an address at 333 Allegheny Avenue, Oakmont, PA 15139, and **PNC BANK, NATIONAL ASSOCIATION** (the "**Bank**").

Under the terms hereof, the Bank desires to obtain and the Grantor desires to grant to the Bank security for the complete payment and performance of the Obligations.

NOW, THEREFORE, the Grantor and the Bank, for good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, and intending to be legally bound, hereby agree as follows:

1. Definitions.

In addition to the other terms defined in this Section 1, initially capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement (as defined below).

(a) "**Collateral**" means and shall include all personal property of the Grantor, including without limitation the following, all whether now owned or hereafter acquired or arising: (i) accounts, accounts receivable, contract rights, chattel paper, notes receivable, instruments and documents (including warehouse receipts), and Grantor's accounts with the Bank; (ii) goods of every nature, including without limitation, inventory, stock-in-trade, raw materials, work in process, items held for sale or lease or furnished or to be furnished under contracts of sale or lease, goods that are returned, reclaimed or repossessed, together with materials used or consumed in the Grantor's business; (iii) equipment, including, without limitation, machinery, vehicles, furniture and fixtures; (iv) general intangibles, of every kind and description, including, but not limited to, all existing and future customer lists, choices in action, claims (including without limitation claims for indemnification or breach of warranty), books, records, patents and patent applications (including, without limitation the Patent Collateral as described and defined in the Rider to Security Agreement – Patents by and between the Grantor and the Bank of even date herewith), copyrights (including, without limitation the Copyrights as described and defined in any Rider to Security Agreement - Copyrights that may be entered into by and between the Grantor and Bank in the future), trademarks (including, without limitation, the Trademarks as described and defined in the Rider to Security Agreement – Trademarks by and between the Grantor and the Bank of even date herewith), tradenames, tradestyles, trademark applications, goodwill, blueprints, drawings, designs and plans, trade secrets, contracts, licenses, license agreements, formulae, tax and any other types of refunds, returned and unearned insurance premiums, rights and claims under insurance policies, and computer information, software, source codes, object codes, records and data; (v) all property of the Grantor now or

hereafter in the Bank's possession or in transit to or from, under the custody or control of or on deposit with, the Bank or any affiliate thereof, including deposit and other accounts; (vi) all cash and cash equivalents; and (vii) all cash and non-cash proceeds (including without limitation, insurance proceeds) of all of the foregoing property, all products thereof and all additions and accessions thereto, substitutions therefor and replacements thereof.

(b) **“Loan Agreement”** means that Loan Agreement of even date herewith by and between the Grantor and the Bank.

(c) **“Loan Documents”** means this Agreement, the Loan Agreement, any and all notes evidencing the Obligations and all related documents, instruments and agreements.

(d) **“Obligations”** shall have the meaning set forth in the Loan Agreement.

2. **Grant of Security Interest.** To secure the completed payment and performance of the Obligations, the Grantor, as debtor, hereby assigns and grants to the Bank, as secured party, a continuing first priority lien on and security interest in the Collateral.

3. **Change in Name or Locations.** The Grantor hereby agrees that if the location of the Collateral changes from the locations listed on Exhibit A hereto and made part hereof, or if the Grantor changes its name or form of organization, or establishes a name in which it may do business that is not listed as a tradename on Exhibit A hereto, the Grantor will as promptly as practicable notify the Bank in writing of the additions or changes. The Grantor's chief executive office is also shown on Exhibit A hereto.

4. **Representations, Warranties and Covenants Concerning Collateral.** Except as disclosed in or permitted under the Loan Agreement, the Grantor represents, warrants and covenants to the Bank as follows:

(a) The Grantor has not made any prior sale, pledge, encumbrance, assignment or other disposition of any of the Collateral which is currently effective and the same are free from all encumbrances and rights of setoff of any kind other than Permitted Liens.

(b) The Grantor will not hereafter without prior written consent of the Bank sell, pledge, encumber, assign or otherwise dispose of any of the Collateral, other than sales of inventory and uses of cash and cash equivalents in the ordinary course of business, and or permit any right of setoff, lien or security interest to exist thereon except to the Bank or a Permitted Lien.

(c) The Grantor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

(d) Each account and general intangible, if included in the definition of Collateral, is genuine and enforceable in accordance with its terms and the Grantor will defend the same against all material claims, demands, setoffs and counterclaims at any time asserted.

(e) At the time any account or general tangible becomes subject to this Agreement, such account or general intangible will be a good and valid account representing a bona fide sale of goods or services by the Grantor and such goods will have been shipped to the respective account debtors or the services will have been performed for the respective account debtors, and no such account or general intangible will be subject to any claim for credit, allowance or adjustment by any account debtor or any setoff, defense or counterclaim.

(f) From time to time and at all reasonable times allow the Bank, with reasonable prior notice so long as an Event of Default does not exist, by or through any of its officers, agents, attorneys, or accountants, to examine or inspect the Collateral and obtain valuations and audits of the Collateral, wherever located; not more than one of which shall be conducted at the Grantor's expense in any year.

(g) The Grantor shall do, obtain, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as the Bank may reasonably require to vest in and assure to the Bank its rights hereunder and in or to the Collateral, and the proceeds thereof, including, but not limited to, using its best efforts to obtain waivers from landlords, warehousemen and mortgagees.

(h) The Grantor shall keep the Collateral in good order and repair at all times, ordinary wear and tear and obsolescence excepted, and immediately notify Bank of an event causing a material loss or decline in value of the non-cash Collateral whether or not covered by insurance and the amount of such loss or depreciation.

(i) The Grantor shall use or permit the Collateral to be used only in accordance with all applicable federal, state, county and municipal laws and regulations.

(j) The Grantor shall have and maintain insurance at all times with respect to all Collateral as required under the Loan Agreement. The policies of all such casualty insurance shall contain standard Lender's Loss Payable Clauses issued in favor of the Bank under which all losses thereunder shall be paid to the Bank as the Bank's interest may appear. Such policies shall expressly provide that the requisite insurance cannot be altered or canceled without at least thirty (30) days prior written notice to the Bank. Upon demand of the Bank, the Grantor shall furnish the Bank with duplicate original policies of insurance or such other evidence of insurance as the Bank may require. In the event of failure to obtain insurance as herein provided, the Bank may, at its option, obtain such insurance and the Grantor shall pay to the Bank, on demand, the cost thereof. Proceeds of insurance may be applied by the Bank to reduce the Obligations or to repair or replace Collateral, all in the Bank's sole discretion.

(k) If the Grantor adopts, uses or files an application for the registration of any copyright, the Grantor shall (a), within a reasonable time thereafter, deliver written notice of such fact to the Bank, and (b), at the request of the Bank, join with the Bank in executing a Rider to Security Agreement - Copyrights in the form attached hereto as Exhibit B with respect to such copyright(s).

5. **Negative Pledge; No Transfer.** Except as described in or permitted under the Loan Agreement and except for Permitted Liens, the Grantor will not sell or offer to sell or otherwise transfer or grant or suffer the imposition of a lien or security interest upon the Collateral (except for sales of inventory and collections of accounts in the Grantor's ordinary course of business) or use any portion thereof in any manner inconsistent with this Agreement or with the terms and conditions of any policy of insurance thereon.

6. **Covenants for Accounts.** If accounts are included in the definition of Collateral:

(a) The Grantor will, on reasonable demand of the Bank, make notations on its books and records showing the security interest of the Bank and make available to the Bank shipping and delivery receipts evidencing the shipment of the goods that gave rise to an account, completion certificates or other proof of the satisfactory performance of services that gave rise to an account, a copy of the invoice for each account and copies of any written contract or order from which an account arose. The Grantor shall promptly notify the Bank if an account in excess of \$10,000 becomes evidenced or secured by an instrument or chattel paper and upon request of the Bank, will promptly deliver any such instrument or chattel paper to the Bank, including without limitation, any letter of credit delivered to the Grantor to support a shipment of inventory by the Grantor.

(b) The Grantor will within 30 days advise the Bank whenever an account debtor refuses to retain or returns any goods from the sale of which an account arose in excess of \$50,000 and will comply with any reasonable instructions that the Bank may give regarding the sale or other disposition of such returns.

(c) The Grantor will notify the Bank on a monthly basis, or if not previously reported to the Bank, at the time of the Grantor's request for a loan under the Revolving Credit, of any accounts which arise out of contracts with the United States or any department, agency or instrumentality thereof which have been added to the Borrowing Base, and will execute any instruments and take any steps reasonably required by the Bank so that all monies due and to become due under such contract shall be assigned to the Bank and notice thereof given to and acknowledged by the appropriate government agency or authority under the Federal Assignment of Claims Act of 1940, as amended, or other applicable Law.

(d) Upon the occurrence and during the continuance of an Event of Default, and without notice to the Grantor the Bank may notify any persons who are indebted to the Grantor on any Collateral consisting of accounts or general intangibles of the assignment thereof to the Bank and may direct such account debtors to make payment directly to the Bank of the amounts due. At the request of the Bank, upon the occurrence and during the continuance of an Event of Default, the Grantor will direct any persons who are indebted to the Grantor on any Collateral consisting of accounts or general intangibles to make payment directly to the Bank. The Bank is authorized to give receipts to such account debtors for any such payments and the account debtors will be protected in making such payments to the Bank.

7. **Further Assurances.** At the request of the Bank, the Grantor will join with the Bank in executing one or more financing, continuation or amendment statements pursuant to the Uniform Commercial Code in form satisfactory to the Bank and will pay the cost of preparing and filing the same in all jurisdictions in which such filing is deemed by the Bank to be necessary or desirable. A carbon, photographic or other copy of this Agreement or of a UCC-1 financing statement may be filed as and in lieu of a UCC-1 financing statement.

8. **Events of Default.** The Grantor shall, at the option of the Bank, be in default under this Agreement upon the happening of any of the following events or conditions (each, an "Event of Default"): (a) the failure by the Grantor to perform any of its obligations under this Agreement, which failure, if capable of being cured, shall continue uncured for a period of fifteen (15) calendar days after written notice thereof is given to the Grantor by the Bank, (b) an Event of Default under the Loan Agreement, (c) a default under any of the other Loan Documents; (d) material falsity, material inaccuracy or material breach by the Grantor of any written warranty, representation or statement made or furnished to the Bank by or on behalf of the Grantor; or (e) the failure of the Bank to have a perfected first priority security interest in the Collateral (subject to the Permitted Liens).

9. **Remedies.** Upon the occurrence of an Event of Default described in Section 7.1(e) of the Loan Agreement, all Obligations secured hereby shall become immediately due and payable, without presentment, demand, notice, declaration, protest or other requirements of any kind, all which are expressly waived by the Borrower. Upon the occurrence and continuance of an Event of Default other than as described in Section 7.1(e) of the Loan Agreement, the Bank may provide written notice to the Borrower stating that an Event of Default has occurred and declaring all Obligations secured hereby immediately due and payable, without further notice, presentment, demand, declaration, protest, or other requirements of any kind, all which are expressly waived by the Borrower. Upon the occurrence and continuance of an Event of Default, and irrespective of whether the Obligations have been declared due and payable pursuant to the immediately preceding sentence, the Bank will have, in addition to all rights and remedies provided for herein or in the other Loan Documents or by any applicable law or in equity, all the remedies of a secured party under the Uniform Commercial Code.

10. **Power of Attorney.** The Grantor does hereby make, constitute and appoint any officer or agent of the Bank as the Grantor's true and lawful attorney-in-fact, with power to endorse the name of the Grantor or any of the Grantor's officers or agents upon any notes, checks, drafts, money orders, or other instruments of payment or Collateral that may come into the possession of the Bank granting to the Grantor's said attorney full power to do any and all things necessary to be done in and about the premises as fully and with the same effect as the Grantor might or could do, including the right to sign, for the Grantor, UCC-1 financing statements and UCC-3 Statements of Change and to sue for, compromise, settle and release all claims and disputes with respect to the Collateral. The Grantor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest, and is irrevocable for the life of this Security Agreement and the Loan Documents, and until all the Obligations are satisfied in full.

11. **Payment of Expenses.** In the event that the Grantor fails to do so on a timely basis, the Bank may, at its option, discharge taxes, liens, security interests or such other encumbrances as may attach to the Collateral, may pay for required insurance on the Collateral and may pay for the maintenance, appraisal or reappraisal, and preservation of the Collateral, as reasonably determined by the Bank to be necessary. The Grantor will reimburse the Bank on demand for any payment so made or any expense incurred by the Bank pursuant to the foregoing authorization, and the Collateral also will secure any advances or payments so made or expenses so incurred by the Bank.

12. **Notices.** All notices, demands, requests, consents, approvals and other communications required or permitted hereunder must be in writing and will be effective upon receipt if delivered personally to such party, or if sent by facsimile transmission with confirmation of delivery, or by nationally recognized overnight courier service, to the address set forth above or to such other address as any party may give to the other in writing for such purpose.

13. **Preservation of Rights.** No delay or omission on the part of the Bank to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power or any acquiescence therein, nor will the action or inaction of the Bank impair any right or power arising hereunder. The Bank's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Bank may have under other agreements, at law or in equity.

14. **Illegality.** In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

15. **Changes in Writing.** No modification, amendment or waiver of any provision of this Agreement nor consent to any departure by the Grantor therefrom, will in any event be effective unless the same is in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Grantor in any case will entitle the Grantor to any other or further notice or demand in the same, similar or other circumstance.

16. **Entire Agreement.** This Agreement (including the Riders hereto and the other documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

17. **Counterparts.** This Agreement may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument.

18. **Successors and Assigns.** This Agreement will be binding upon and inure to the benefit of the Grantor and the Bank and their respective heirs, executors, administrators,

successors and assigns; provided, however, that the Grantor may not assign this Agreement in whole or in part without the prior written consent of the Bank and the Bank at any time may assign this Agreement in whole or in part.

19. Interpretation. In this Agreement, unless the Bank and the Grantor otherwise agree in writing, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to articles, sections (or subdivisions of sections) or exhibits are to those of this Agreement unless otherwise indicated. Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. If this Agreement is executed by more than one Grantor, the obligations of such persons or entities will be joint and several.

20. Indemnity. The Grantor agrees to indemnify each of the Bank, its directors, officers and employees and each legal entity, if any, who controls the Bank (the "**Indemnified Parties**") and to hold each Indemnified Party harmless from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, all reasonable fees of counsel with whom any Indemnified Party may consult and all expenses of litigation or preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party as a result of the execution of or performance under this Agreement; provided, however, that the foregoing indemnity agreement shall not apply to claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's gross negligence or willful misconduct. The indemnity agreement contained in this Section shall survive the termination of this Agreement. The Grantor may participate at its expense in the defense of any such claim.

21. Governing Law.

THIS AGREEMENT HAS BEEN DELIVERED TO AND ACCEPTED BY THE BANK AND WILL BE DEEMED TO BE MADE IN THE COMMONWEALTH OF PENNSYLVANIA. THIS AGREEMENT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, EXCEPT THAT THE LAWS OF THE STATE WHERE ANY COLLATERAL IS LOCATED (IF DIFFERENT FROM THE COMMONWEALTH OF PENNSYLVANIA) SHALL GOVERN THE CREATION, PERFECTION AND FORECLOSURE OF THE LIENS CREATED HEREUNDER ON SUCH PROPERTY OR ANY INTEREST THEREIN.

22. Choice of Forum.

THE GRANTOR HEREBY IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT FOR ALLEGHENY COUNTY OR THE WESTERN DISTRICT OF PENNSYLVANIA, AS

THE CASE MAY BE, AND CONSENTS THAT ALL SERVICE OF PROCESS BE SENT BY NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE DIRECTED TO THE GRANTOR AT THE GRANTOR'S ADDRESS SET FORTH HEREIN AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED ON THE BUSINESS DAY AFTER DEPOSIT WITH SUCH COURIER; PROVIDED THAT NOTHING CONTAINED IN THIS AGREEMENT WILL PREVENT THE BANK FROM BRINGING ANY ACTION, ENFORCING ANY AWARD OR JUDGMENT OR EXERCISING ANY RIGHTS AGAINST THE GRANTOR INDIVIDUALLY, AGAINST ANY SECURITY OR AGAINST ANY PROPERTY OF THE GRANTOR WITHIN ANY OTHER COUNTY, STATE OR OTHER FOREIGN OR DOMESTIC JURISDICTION. THE BANK AND THE GRANTOR AGREE THAT THE VENUE PROVIDED ABOVE IS THE MOST CONVENIENT FORUM FOR BOTH THE BANK AND THE GRANTOR. THE GRANTOR WAIVES ANY OBJECTION TO VENUE AND ANY OBJECTION BASED ON A MORE CONVENIENT FORUM IN ANY ACTION INSTITUTED UNDER THIS AGREEMENT.

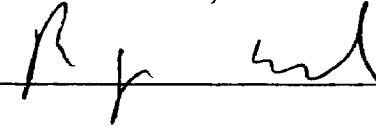
23. Waiver Of Jury Trial.

EACH OF THE GRANTOR AND THE BANK IRREVOCABLY WAIVES ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE GRANTOR AND THE BANK ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

[Signature Page to Follow]

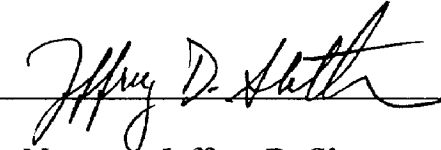
WITNESS the due execution of this Security Agreement as a document under seal, as of the date first written above.

SERVICWARE, INC.

By:  _____ (SEAL)

Print Name: Rajiv Enand
Title: Chief Executive Officer

PNC BANK, NATIONAL ASSOCIATION

By:  _____ (SEAL)

Print Name: Jeffrey D. Sletten
Title: Vice President

Exhibits:

A - Names and Locations

B - Form of Rider to Security Agreement - Copyrights

EXHIBIT A

Address of Grantor's chief executive office, including the County:

333 Allegheny Avenue
Oakmont, PA 15139
Allegheny County

Address for books and records, if different:

NA

Addresses of other Collateral locations, including Counties and name and address of landlord or owner if location is not owned by the Grantor:

Parkway Plaza, Suite 250
4655 Old Ironside Drive
Santa Clara, CA 95054

c/o Malloy Group, Inc.
Four Century Drive
Parsippany, NJ 07054

Other fictitious names or tradenames now or formerly used by the Grantor:

None

RIDER TO SECURITY AGREEMENT - COPYRIGHTS

THIS RIDER TO SECURITY AGREEMENT ("Rider") is executed as of _____, _____ by and between SERVICEWARE, INC. (the "Grantor"), with an address at 333 Allegheny Avenue, Oakmont, PA 15139 and PNC BANK, NATIONAL ASSOCIATION (the "Bank"), with an address at 600 Grant Street, 29th Floor, Pittsburgh, Pennsylvania 15219. This Rider is incorporated into and made part of that certain Security Agreement by and between the Grantor and the Bank dated as of December 10, 1999 (as the same may be modified, amended or restated, the "Security Agreement").

Initially capitalized terms used and not otherwise defined in this Rider shall have the same meanings ascribed to such terms in the Security Agreement.

The Grantor has registered with the United States Library of Congress Copyright Office (or has filed applications for the registration of) the copyrights listed on Schedule A to the Copyright Assignment attached hereto as Exhibit A (the "Copyright Assignment") (all such copyrights hereinafter referred to as the "Copyrights").

The Grantor desires to assign the Copyrights and the registration thereof, together with all the goodwill of Grantor associated therewith and represented thereby, as security for the Grantor's Obligations, and the Bank desires to have its security interest in such Copyrights confirmed by a document identifying same and in such form that it may be recorded in the Library of Congress, Copyright Office.

NOW, THEREFORE, with the foregoing background deemed incorporated by reference and made part hereof, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. **Grant of Security Interest.** In consideration of and pursuant to the terms of the Loan Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the Obligations, the Grantor grants and assigns to the Bank a lien and security interest in all of Grantor's present and future right, title and interest in and to the Copyrights, together with all the goodwill of the Grantor associated with and represented by the Copyrights, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. **Maintenance of Copyrights.** The Grantor hereby covenants and agrees to maintain the Copyrights in full force and effect until all of the Grantor's liabilities and obligations to the Bank are satisfied in full.

3. Representations and Warranties. The Grantor represents, warrants and covenants that: (a) the Copyrights are subsisting and have not been adjudged invalid or unenforceable; (b) to the best of Grantor's knowledge each of the Copyrights is valid and enforceable; (c) except as otherwise provided in the Loan Documents, the Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Copyrights, and each of the Copyrights is free and clear of any liens, charges, licenses (except for non-exclusive licenses granted in the ordinary course of business), and encumbrances, including, without limitation, pledges, assignments and covenants by the Grantor not to sue third persons; (d) the Grantor is using the Copyrights in its business; (e) the Grantor has the unqualified right to enter into this Rider and perform its terms; and (f) the Grantor has used, and will continue to use for the duration of this Rider, proper statutory notice in connection with its use of the Copyrights.

4. Covenants. The Grantor further covenants that: (a) until all of the Obligations have been satisfied in full, it will not enter into any agreement which is inconsistent with the Grantor's obligations under this Rider; and (b) if the Grantor acquires rights to any new Copyrights, the provisions of this Rider shall automatically apply thereto and the Grantor shall give the Bank prompt written notice thereof along with an amended Schedule A to the Copyright Assignment.

5. Exclusive Use of Copyrights. So long as this Rider is in effect and so long as the Grantor has not received notice from the Bank that an Event of Default has occurred under the Loan Documents and that the Bank has elected to exercise its rights to assignment hereunder, the Grantor shall continue to have the right to the exclusion of the Bank to use the Copyrights and to grant non-exclusive licenses with respect thereto in the ordinary course of business, and the Bank shall have no right to use the Copyrights or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Copyrights to anyone else.

6. Remedies Upon Default. (a) Anything herein contained to the contrary notwithstanding, if and while the Grantor shall be in default hereunder or an Event of Default exists under the other Loan Documents, the Grantor hereby covenants and agrees that the Bank as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in Pennsylvania, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Copyrights covered hereby.

(b) For such purposes, and in the event of an Event of Default under the Loan Documents and while such Event of Default exists, the Grantor hereby authorizes and empowers the Bank to make, constitute and appoint any officer or agent of the Bank as the Bank may select, in its exclusive discretion, as the Grantor's true and lawful attorney-in-fact, with the power to endorse the Grantor's name on all applications, documents, papers and instruments necessary for the Bank to use the Copyrights or to grant or issue any exclusive or non-exclusive license under the Copyrights to anyone else, or necessary for the Bank to assign, pledge, convey or otherwise transfer title in or dispose of the Copyrights to anyone else. The Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or willful misconduct of such attorney. This power of attorney shall be

irrevocable for the life of this Rider and the other Loan Documents, and until all the Obligations are satisfied in full.

(c) The Grantor expressly acknowledges that this Rider shall be recorded with the United States Library of Congress, Copyright Office in Washington, D.C. Contemporaneously herewith, the Grantor shall also execute and deliver to the Bank the Copyright Assignment to permanently assign all rights in the Copyrights to the Bank, which assignment shall be held by the Bank until the occurrence of a default hereunder or an Event of Default under the other Loan Documents. After the occurrence and during the continuance of a default hereunder or an Event of Default under the other Loan Documents, an authorized officer of the Bank may execute the certification reflected in the legend appearing on the face of the Copyright Assignment and the Bank may thereafter, at its sole option, record the Copyright Assignment with the United States Library of Congress, Copyright Office.

7. **Subject to Security Agreement.** This Rider shall be subject to the terms, provisions, and conditions set forth in the Security Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

8. **Inconsistency with Security Agreement.** All rights and remedies herein granted to the Bank shall be in addition to any rights and remedies granted to the Bank under the Security Agreement. In the event of an inconsistency between this Rider and the Security Agreement, the language of the Security Agreement shall control. The terms and conditions of the Security Agreement are hereby incorporated herein by reference.

9. **Termination of Agreement.** Upon payment and performance of all Obligations, the Bank shall immediately execute and deliver to the Grantor all documents necessary to terminate the Bank's security interest in the Copyrights.

10. **Prosecution of Copyright Applications.** (a) Subject to the terms of the Loan Agreement, the Grantor shall have the duty to prosecute diligently any copyright application with respect to the Copyrights pending as of the date of this Rider or thereafter, until the Obligations shall have been satisfied in full, to preserve and maintain all rights in the Copyrights, and upon reasonable request of the Bank, the Grantor shall make federal application on registrable but unregistered copyrights belonging to the Grantor. Any reasonable expenses incurred in connection with such applications shall be borne by the Grantor. The Grantor shall not abandon any Copyright without the written consent of the Bank, except with respect to any Copyright that the Borrower shall reasonably determine is of negligible economic value to it.

(b) The Grantor shall have the right to bring suit in its own name to enforce the Copyrights, in which event the Bank may, if the Grantor deems it necessary or after an Event of Default under the Loan Documents, be joined as a nominal party to such suit if the Bank shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. The Grantor shall promptly, upon demand, reimburse and indemnify the Bank for all damages, reasonable costs and reasonable expenses, including attorneys' fees, incurred by the Bank in the fulfillment of the provisions of this paragraph.

11. Fees and Expenses. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by the Bank in connection with the preparation of this Rider and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Copyrights, or in defending or prosecuting any actions or proceedings arising out of or related to the Copyrights, in each case in accordance with the terms of this Rider, shall be borne and paid by the Grantor on demand by the Bank and until so paid shall be added to the principal amount of the Obligations to the Bank and shall bear interest at the contract rate therefor.

12. Additional Remedies. Upon the occurrence of an Event of Default under the Loan Documents, the Bank may, without any obligation to do so, complete any obligation of the Grantor hereunder, in the Grantor's name or in the Bank's name, but at the Grantor's expense, and the Grantor hereby agrees to reimburse the Bank in full for all reasonable expenses, including reasonable attorney's fees, incurred by the Bank in protecting, defending and maintaining the Copyrights.

13. Governing Law.

THIS RIDER WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, EXCLUDING ITS CONFLICT OF LAW RULES, EXCEPT THAT THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA SHALL GOVERN TO THE EXTENT APPLICABLE.

14. Counterparts. This Rider may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument.

[Signature Page to Follow]

WITNESS the due execution hereof, as of the date first written above, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby.

ATTEST:

SERVICWARE, INC.

By: _____ (SEAL)

Print Name: _____

Print Name: _____

Title: _____

**PNC BANK, NATIONAL
ASSOCIATION**

By: _____ (SEAL)

Name: _____

Title: _____

STATE OF PENNSYLVANIA

)

COUNTY OF ALLEGHENY

)

ss:

)

On _____, _____, before me, a Notary Public, personally appeared _____, who acknowledged himself/herself to be the an authorized officer of **SERVICWARE, INC.**, a Pennsylvania corporation, and that as such he/she, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My commission expires: _____

(Notarial Seal)

STATE OF PENNSYLVANIA

)

COUNTY OF ALLEGHENY

)

ss:

)

On the _____, _____, before me, a Notary Public, personally appeared _____ who acknowledged himself/herself to be an authorized officer of PNC Bank, National Association, and that he/she, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said bank as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My commission expires: _____

(Notarial Seal)

EXHIBIT A

THIS DOCUMENT SHALL BE HELD BY THE BANK IN ESCROW PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF THAT CERTAIN SECURITY DATED AS OF DECEMBER 10, 1999 BY AND BETWEEN THE GRANTOR AND THE BANK (THE "SECURITY AGREEMENT") AND THAT CERTAIN RIDER TO SECURITY AGREEMENT - COPYRIGHTS. BY SIGNING IN THE SPACE PROVIDED BELOW, THE UNDERSIGNED OFFICER OF THE BANK CERTIFIES THAT AN EVENT OF DEFAULT (AS DEFINED IN THE SECURITY AGREEMENT) HAS OCCURRED AND IS CONTINUING. UPON THE RECORDING OF THIS DOCUMENT WITH THE UNITED STATES LIBRARY OF CONGRESS COPYRIGHT OFFICE, THIS LEGEND SHALL CEASE TO HAVE ANY FORCE OR EFFECT.

PNC BANK, NATIONAL ASSOCIATION

BY: _____
PRINT NAME: _____
TITLE: _____
DATE: _____

Copyright Assignment

WHEREAS, **SERVICWARE, INC.** (the "**Grantor**") is the owner of the entire right, title and interest in and to the United States copyrights listed on Schedule A attached hereto and made part hereof (collectively as the "**Copyrights**") which are registered in the United States Library of Congress, Copyright Office or which are the subject of pending applications in the United States Library of Congress, Copyright Office; and

WHEREAS, **PNC BANK, NATIONAL ASSOCIATION**, having a place of business at 600 Grant Street, 29th Floor, Pittsburgh, Pennsylvania 15219, identified as the "**Bank**" under that certain Rider to Security Agreement - Copyrights of even date herewith (the "**Grantee**") is desirous of acquiring said Copyrights;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, the Grantor, for itself and its successors and assigns does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Copyrights and all proceeds thereof and all goodwill associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Copyright Assignment to be executed by its duly authorized officer on _____, _____.

ATTEST:

SERVICWARE, INC.

By: _____
(SEAL)

Print Name: _____

Print Name: Stephen McMahon
Title: Chief Financial Officer and Treasurer

STATE OF PENNSYLVANIA

)

COUNTY OF ALLEGHENY

)

ss:

)

On _____, before me, a Notary Public, personally appeared _____, who acknowledged himself/herself to be an authorized officer of **SERVICEWARE, INC.**, a Pennsylvania corporation, and that as such he/she, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My commission expires: _____

(Notarial Seal)

SCHEDULE A TO COPYRIGHT ASSIGNMENT

Name of Copyright

Registered (Y/N)

Registration or Film No.

Rider To Security Agreement - Trademarks

THIS RIDER TO SECURITY AGREEMENT ("Rider") is executed as of December 10, 1999 by and between **SERVICWARE, INC.** (the "**Grantor**") with an address at 333 Allegheny Avenue, Oakmont, PA 15139, and **PNC BANK, NATIONAL ASSOCIATION** (the "**Bank**"), with an address at 600 Grant Street, 29th Floor, Pittsburgh, Pennsylvania 15219. This Rider is incorporated into and made part of that certain Security Agreement by and between the Grantor and the Bank dated of even date herewith (as the same may amended, modified or restated, the "**Security Agreement**").

Initially capitalized terms used and not otherwise defined in this Rider shall have the same meanings ascribed to such terms in the Security Agreement.

The Grantor has registered with the United States Patent and Trademark Office (or has filed applications for the registration of) the trademarks, servicemarks and tradenames listed on Schedule A to the Trademark Assignment attached hereto as Exhibit A (the "**Trademark Assignment**") (all such marks or names hereinafter referred to as the "**Trademarks**").

The Bank desires to acquire a lien and security interest on the Trademarks and the registration thereof, together with all the goodwill of the Grantor associated therewith and represented thereby, as security for all of the Obligations, and the Bank desires to have its security interest in such Trademarks confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office.

NOW, THEREFORE, with the foregoing background deemed incorporated by reference and made part hereof, the parties hereto, and intending to be legally bound hereby, covenant and agree as follows:

1. **Grant of Security Interest.** In consideration of and pursuant to the terms of the Loan Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the Obligations, the Grantor grants a lien and security interest to the Bank in all its present and future right, title and interest in and to the Trademarks, together with all the goodwill of the Grantor associated with and represented by the Trademarks, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. **Maintenance of Trademarks.** The Grantor hereby covenants and agrees to maintain the Trademarks, excluding those that are of marginal value and are not material to the operations of the business of the Grantor in the ordinary course, in full force and effect until all of the Obligations to the Bank are satisfied in full.

3. **Representations and Warranties.** The Grantor represents, warrants and covenants that: (a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable; (b) to the best of the Grantor's knowledge, each of the Trademarks is valid and enforceable; (c), except as otherwise provided in the Loan Documents, the Grantor is the sole

and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, and each of the Trademarks is free and clear of any liens, charges, licenses (except for non-exclusive licenses granted in the ordinary course of business) and encumbrances, including, without limitation, pledges, assignments, and covenants by the Grantor not to sue third persons; (d) the Grantor has the unqualified right to enter into this Rider and perform its terms; (e) the Grantor (i), to the best of the Grantor's knowledge, has used, and (ii) will continue to use for the duration of this Rider in conjunction with actual goods shipped in commerce, proper notice, as required by 15 U.S.C. §1051-1127 in connection with its use of the Trademarks; and (f) the Grantor has used, and will continue to use for the duration of this Rider, consistent standards of quality in products leased or sold under the Trademarks and hereby grants to the Bank and its employees and agents the right to visit the Grantor's locations which lease, sell, or store products under any of the Trademarks and to inspect the products and quality control records relating thereto at reasonable times during regular business hours to ensure the Grantor's compliance with this paragraph 3(f); provided, however, that only one such visitation and inspection shall be conducted at the expense of the Grantor in any year.

4. **Covenants.** The Grantor further covenants that: (a) Until all of the Obligations have been satisfied in full, the Grantor will not enter into any agreement, including without limitation, license agreements, except for non-exclusive licenses granted in the ordinary course of business or any other agreement the terms of which are consistent with the Grantor's obligations under this Rider, and (b) if the Grantor acquires rights to any new Trademarks, the provisions of this Rider shall automatically apply thereto and the Grantor shall give the Bank prompt written notice thereof along with an amended Schedule A to the Trademark Assignment.

5. **Exclusive Use of Trademarks.** So long as this Rider is in effect and so long as the Grantor has not received notice from the Bank that an Event of Default has occurred under the Loan Documents and that the Bank has elected to exercise its rights hereunder, the Grantor shall continue to have the right to the exclusion of the Bank to use the Trademarks and to grant non-exclusive licenses with respect thereto in the ordinary course of business, and the Bank shall have no right to use the Trademarks or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Trademarks to anyone else.

6. **Negative Pledge.** Except as provided herein, the Grantor agrees not to sell, assign or further encumber its rights and interest in the Trademarks without prior written consent of the Bank, except for non-exclusive licenses granted in the ordinary course of business.

7. **Remedies Upon Default.** (a) Anything herein contained to the contrary notwithstanding, if and while the Grantor shall be in default hereunder or an Event of Default exists under the other Loan Documents, the Grantor hereby covenants and agrees that the Bank, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the Commonwealth of Pennsylvania, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Trademarks covered hereby.

(b) For such purposes, and in the event of the Grantor's default hereunder or an Event of Default under the other Loan Documents and while such default or Event of Default

exists, the Grantor hereby authorizes and empowers the Bank to make, constitute and appoint any officer or agent of the Bank as the Bank may select, in its exclusive discretion, as the Grantor's true and lawful attorney-in-fact, with the power to endorse the Grantor's name on all applications, documents, papers and instruments necessary for the Bank to use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or necessary for the Bank to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else. The Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Rider and the Loan Documents, and until all the Obligations are satisfied in full.

(c) The Grantor expressly acknowledges that this Rider shall be recorded with the Patent and Trademark Office in Washington, DC. Contemporaneously herewith, the Grantor shall also execute and deliver to the Bank the Trademark Assignment to permanently assign all rights in the Trademarks to the Bank, which assignment shall be held by the Bank until the occurrence of a default hereunder or an Event of Default under the other Loan Documents. After the occurrence and during the continuance of a default hereunder or an Event of Default under the other Loan Documents, an authorized officer of the Bank may execute the certification reflected in the legend appearing on the face of the Trademark Assignment and the Bank may thereafter, at its sole option, record the Trademark Assignment with the United States Patent and Trademark Office.

8. Subject to Security Agreement. This Rider shall be subject to the terms, provisions, and conditions set forth in the Security Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

9. Inconsistency with Security Agreement. All rights and remedies herein granted to the Bank shall be in addition to any rights and remedies granted to the Bank under the Security Agreement. In the event of an inconsistency between this Rider and the Security Agreement, the language of the Security Agreement shall control. The terms and conditions of the Security Agreement are hereby incorporated herein by reference.

10. Termination of Agreement. Upon payment and performance of all Obligations, the Bank shall execute and deliver to the Grantor all documents necessary to terminate the Bank's security interest in the Trademarks.

11. Fees and Expenses. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by the Bank in connection with the preparation of this Rider and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, in each case in accordance with the terms of this Rider, shall be borne and paid by the Grantor on demand by the Bank and until so paid shall be added to the principal amount of the Obligations to the Bank and shall bear interest at the contract rate therefor.

12. Prosecution of Trademark Applications. (a) Subject to the terms of the Security Agreement, the Grantor shall have the duty to prosecute diligently any trademark application with respect to the Trademarks pending as of the date of this Rider or thereafter, until the Obligations shall have been satisfied in full, to preserve and maintain all rights in the Trademarks, excluding those that are of marginal value and are not material to the operation of the business of the Grantor in the ordinary course, and upon reasonable request of the Bank, the Grantor shall make federal application on registrable but unregistered trademarks belonging to the Grantor. Any reasonable expenses incurred in connection with such applications shall be borne by the Grantor. The Grantor shall not abandon any Trademark without the written consent of the Bank; provided, however, that the Grantor shall be permitted to abandon the name "SERVICEWARE" after a change of its corporate name and its ceasing to sell goods in connection with such name.

(b) The Grantor shall have the right to bring suit in its own name to enforce the Trademarks, in which event the Bank may, if the Grantor deems it necessary or after a default hereunder or an Event of Default under the other Loan Documents, be joined as a nominal party to such suit if the Bank shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. The Grantor shall promptly, upon demand, reimburse and indemnify the Bank for all damages, reasonable costs and reasonable expenses, including attorneys' fees, incurred by the Bank in the fulfillment of the provisions of this paragraph.

13. Additional Remedies. Upon the occurrence of a default hereunder or an Event of Default under the other Loan Documents, the Bank may, without any obligation to do so, complete any obligation of the Grantor hereunder, in the Grantor's name or in the Bank's name, but at the Grantor's expense, and the Grantor hereby agrees to reimburse the Bank in full for all reasonable expenses, including reasonable attorneys' fees, incurred by the Bank in protecting, defending and maintaining the Trademarks.

14. Governing Law.

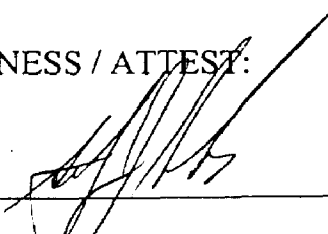
THIS RIDER WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, EXCLUDING ITS CONFLICT OF LAWS RULES, EXCEPT THAT THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA SHALL GOVERN TO THE EXTENT APPLICABLE.

15. Counterparts. This Rider may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument.

[Signature Page to Follow]

WITNESS the due execution hereof as a document under seal, as of the date first written above.

WITNESS / ATTEST:

By:  _____

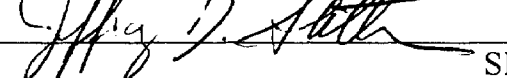
Print Name: STEPHEN MC MANON

SERVICWARE, INC.

By:  _____ SEAL

Print Name: Rajiv Enand
Title: Chief Executive Officer

PNC BANK, NATIONAL ASSOCIATION

By:  _____ SEAL

Print Name: Jeffrey D. Sletten
Title: Vice President

COMMONWEALTH OF PENNSYLVANIA)
)
 COUNTY OF ALLEGHENY)

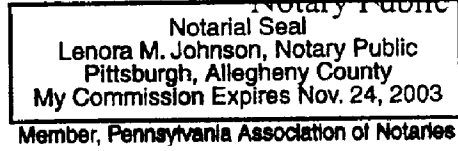
ss:

On December 10, 1999, before me, a Notary Public, personally appeared Rajiv Enand, who acknowledged himself/herself to be an authorized officer of **SERVICEWARE, INC.**, a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania, and that he/she, in such capacity, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Lenora M. Johnson

My commission expires:

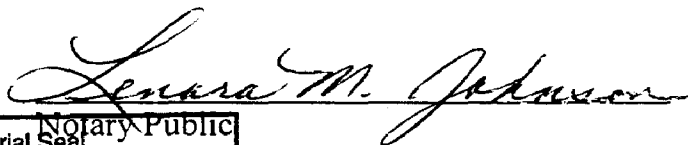


COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF ALLEGHENY)

ss:

On December 10, 1999, before me, a Notary Public, personally appeared Jeffrey D. Sletten, who acknowledged himself/herself to be an authorized officer of PNC BANK, National Association and that he/she, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said bank as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



My commission expires:

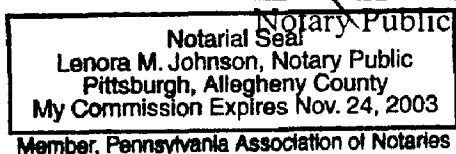


EXHIBIT A

THIS DOCUMENT SHALL BE HELD BY THE BANK IN ESCROW PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF THAT CERTAIN SECURITY AGREEMENT OF EVEN DATE HERewith, BETWEEN THE GRANTOR AND THE BANK (THE "SECURITY AGREEMENT") AND THAT CERTAIN RIDER TO SECURITY AGREEMENT - TRADEMARKS INCORPORATED THEREIN. BY EXECUTING IN THE SPACE PROVIDED BELOW, THE UNDERSIGNED OFFICER OF THE BANK CERTIFIES THAT AN EVENT OF DEFAULT (AS DEFINED IN THE SECURITY AGREEMENT) HAS OCCURRED AND IS CONTINUING. UPON THE RECORDING OF THIS DOCUMENT BY THE BANK WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE, THIS LEGEND SHALL HAVE NO CONTINUING FORCE OR EFFECT.

PNC BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____
Date: _____

Trademark Assignment

WHEREAS, SERVICEWARE, INC. (the "Grantor") is the owner of the entire right, title and interest in and to the United States trademarks, tradenames and registrations listed on Schedule A attached hereto and made a part hereof ("Trademarks"), which are registered in the United States Patent and Trademark Office or are the subject of pending applications in the United States Patent and Trademark Office; and

WHEREAS, PNC BANK, NATIONAL ASSOCIATION, having a place of business at 600 Grant Street, 29th Floor, Pittsburgh, PA 15219, identified as "Bank" under that certain Rider to Security Agreement - Trademarks of even date herewith (the "Grantee") is desirous of acquiring said Trademarks;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, the Grantor, its successors and assigns does hereby transfer, assign, and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Trademarks and all proceeds thereof and all goodwill associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Trademark Assignment to be executed by its duly authorized officer on December 10, 1999.

WITNESS / ATTEST:

SERVICWARE, INC.

By: _____

Print Name: _____

(SEAL)

Print Name: Rajiv Enand
Title: Chief Executive Officer

SCHEDULE A To Trademark Assignment

Registered trademarks:

Knowledge-Paks	Registration No. 2,020,849
Knowledge-Pak Desktop Suite	Registration No. 2,191,831
Cognitive Processor	Registration No. 1,919,047

Pending trademark applications:

Knowledge Architect
Knowledge Channels
Knowledge Viewer
rightanswers.com
Serviceware

The Company has contractually acquired the rights to use trademarks from the following third parties:

Verity, Inc. (technology included in Knowledge Viewer)
Micro House International (content provider)
Novell (content provider)
Apple Computer (content provider)

RIDER TO SECURITY AGREEMENT - PATENTS

THIS RIDER TO SECURITY AGREEMENT ("Rider") is executed as of December 10, 1999, by and between **SERVICWARE, INC.** (the "**Grantor**"), with an address at 333 Allegheny Avenue, Oakmont, PA 15139, and **PNC BANK, NATIONAL ASSOCIATION** (the "**Bank**"), with an address at 600 Grant Street, 29th Floor, Pittsburgh, Pennsylvania 15219. This Rider is incorporated into and made part of that certain Security Agreement by and between the Grantor and the Bank of even date herewith (as the same may be amended or restated, the "**Security Agreement**").

Initially capitalized terms used and not otherwise defined in this Rider shall have the same meanings ascribed to such terms in the Security Agreement.

As collateral security for the Obligations, the Grantor has agreed to grant a security interest in and to assign to the Bank the Patent Collateral (as hereinafter defined). The Bank desires to have its lien and security interest in such Patent Collateral confirmed by a document identifying such security interest and in such form as may be recorded in the United States Patent and Trademark Office.

NOW, THEREFORE, with the foregoing background deemed incorporated by reference and made part hereof, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. **Grant of Security Interest.** In consideration of and pursuant to the terms of the Loan Documents and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the Obligations, the Grantor does hereby assign for security and grant to the Bank a lien and security interest in (a) all of the Grantor's right, title and interest in and to (i) the United States Letters Patents and the inventions described and claimed therein (the "**Existing Patents**") set forth on Schedule A to the Patent Assignment attached hereto as Exhibit A (the "**Patent Assignment**") and any future patents (together with the Existing Patents hereinafter referred to as the "**Patents**"); (ii) the applications for Letters Patents and the inventions described and claimed therein set forth on Schedule A to the Patent Assignment and any United States Letters Patent which may be issued upon any of said applications and any future patent applications (hereinafter referred to collectively as the "**Applications**"); (iii) any reissue, extension, division or continuation of the Patents or the Applications (such reissues, extensions, divisions and continuations being herein referred to collectively as the "**Reissued Patents**"); (iv) all future royalties or other fees paid or payment or payments made or to be made to the Grantor in respect of the Patents; and (v) proceeds of any and all of the foregoing (the Patents, Applications, Reissued Patents and Royalties and proceeds being herein referred to collectively as the "**Patent Rights**"); and (b) all rights, interest, claims and demands that the Grantor has or may have in existing and future profits and damages for past and future infringements of the Patent Rights (such rights, interests, claims and demands being herein called the "**Claims**") (the Patent Rights and Claims collectively referred to as the "**Patent Collateral**").

2. **Representations and Warranties.** The Grantor warrants and represents to the Bank that: (a) the Grantor is the true and lawful exclusive owner of the Patent Rights set forth on

Schedule A to the Patent Assignment, including all rights and interest herein granted; (b) to the Grantor's knowledge, the Patent Collateral is valid and enforceable; (c) the Grantor has full [corporate] power and authority to execute and deliver this Rider; (d) the Grantor has no notice of any suits or actions commenced or threatened against it, or notice of claims asserted or threatened against it, with reference to the Patent Rights and the interests granted herein; and (e) the Patent Rights and all interests granted herein are so granted free from all liens, charges, claims, options, licenses (except for non-exclusive licenses granted in the ordinary course of business), pledges and encumbrances of every kind and character.

3. **Covenants.** The Grantor further covenants that if the Grantor acquires rights to any new Patent Collateral, the provisions of this Rider shall automatically apply thereto and the Grantor shall give the Bank prompt written notice thereof along with an amended Schedule A to the Patent Assignment.

4. **Maintenance of Patent Collateral.** The Grantor further covenants that until all of the Obligations have been satisfied in full, it will (a) not enter into any agreement, including without limitation, license agreements, except for non-exclusive licenses granted in the ordinary course of business or any other agreement the terms of which are consistent with the Grantor's undertakings and covenants under this Rider and do not restrict or impair the Bank's rights hereunder and (b) maintain the Patent Collateral in full force and effect.

5. **Negative Pledge.** The Grantor shall not sell, assign or further encumber its rights and interest in the Patent Collateral without prior written consent of the Bank, except for non-exclusive licenses granted in the ordinary course of business.

6. **Remedies Upon Default.** (a) Anything herein contained to the contrary notwithstanding, if and while the Grantor shall be in default hereunder or an Event of Default exists under the other Loan Documents, the Grantor hereby covenants and agrees that the Bank, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the Commonwealth of Pennsylvania, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Patent Collateral covered hereby.

(b) For such purposes, and in the event of the Grantor's default hereunder or an Event of Default under the other Loan Documents and while such default or Event of Default exists, the Grantor hereby authorizes and empowers the Bank to make, constitute and appoint any officer or agent of the Bank as the Bank may select, in its exclusive discretion, as the Grantor's true and lawful attorney-in-fact, with the power to endorse the Grantor's name on all applications, documents, papers and instruments necessary for the Bank to use the Patent Collateral or to grant or issue any exclusive or non-exclusive license under the Patent Collateral to anyone else, or necessary for the Bank to assign, pledge, convey or otherwise transfer title in or dispose of the Patent Collateral to anyone else. The Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Rider and the other Loan Documents, and until all the Obligations are satisfied in full.

(c) The Grantor expressly acknowledges that this Rider shall be recorded with the United States Patent and Trademark Office in Washington, D.C. Contemporaneously herewith, the Grantor shall also execute and deliver to the Bank the Patent Assignment to permanently assign all rights in the Patents to the Bank, which assignment shall be held by the Bank until the occurrence of a default hereunder or an Event of Default under the other Loan Documents. After the occurrence and during the continuance of a default hereunder or an Event of Default under the other Loan Documents, an authorized officer of the Bank may execute the certification reflected in the legend appearing on the face of the Patent Assignment and the Bank may thereafter, at its sole option, record the Patent Assignment with the United States Patent and Trademark Office.

7. **Prosecution of Patent Applications.** (a) The Grantor shall, at its own expense, diligently file and prosecute all patent applications relating to the inventions described and claimed in the Patent Collateral in the United States Patent and Trademark Office, and shall pay or cause to be paid in their customary fashion all fees and disbursements in connection therewith, and shall not abandon any such application prior to the exhaustion of all administrative and judicial remedies or disclaim or dedicate any Patent without the prior written consent of the Bank. The Grantor shall not abandon any Patent Collateral without the prior written consent of the Bank.

(b) Any and all reasonable fees, costs and expenses, including reasonable attorneys' fees and expenses incurred by the Bank in connection with the preparation, modification, enforcement or termination of this Rider and all other documents relating hereto and the consummation of this transaction, the filing and recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or costs otherwise incurred in defending or prosecuting any actions or proceedings arising out of or related to the Patent Collateral shall be paid by the Grantor on demand by the Bank.

(c) The Grantor shall have the right to bring suit in the name of the Grantor to enforce the Patent Collateral, in which case the Bank may, at the Bank's option, be joined as a nominal party to such suit if the Bank shall be satisfied that such joinder is necessary and that the Bank is not thereby incurring any risk of liability by such joinder. The Grantor shall promptly, upon demand, reimburse and indemnify, defend and hold harmless the Bank for all damages, costs and expenses, including reasonable attorneys' fees, incurred by the Bank pursuant to this paragraph and all other actions and conduct of the Grantor with respect to the Patent Rights during the term of this Rider.

8. **Subject to Security Agreement.** This Rider shall be subject to the terms, provisions, and conditions set forth in the Security Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

9. **Inconsistency with Security Agreement.** All rights and remedies herein granted to the Bank shall be in addition to any rights and remedies granted to the Bank under the Security Agreement. In the event of an inconsistency between this Rider and the Loan Agreement, the

language of the Security Agreement shall control. The terms and conditions of the Security Agreement are hereby incorporated herein by reference.

10. **Termination of Agreement.** Upon payment and performance of all Obligations under the Loan Documents, the Bank shall immediately execute and deliver to the Grantor all documents, and take any and all actions, necessary to terminate the Bank's security interest in the Patent Collateral.

11. **Fees and Expenses.** Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by the Bank in connection with the preparation of this Rider and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Patent Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Patent Collateral, in each case in accordance with the terms of this Rider, shall be borne and paid by the Grantor on demand by the Bank and until so paid shall be added to the principal amount of the Obligations to the Bank and shall bear interest at the contract rate therefor.

12. **Additional Remedies.** Upon the occurrence of a default hereunder or an Event of Default under the other Loan Documents, the Bank may, without any obligation to do so, complete any obligation of the Grantor hereunder, in the Grantor's name or in the Bank's name, but at the Grantor's expense, and the Grantor hereby agrees to reimburse the Bank in full for all reasonable expenses, including reasonable attorney's fees, incurred by the Bank in protecting, defending and maintaining the Patent Collateral.

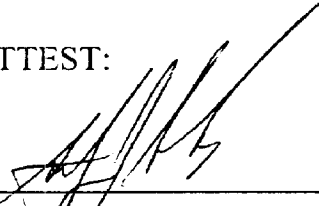
13. **Governing Law.** **THIS RIDER WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, EXCLUDING ITS CONFLICT OF LAW RULES, EXCEPT THAT THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA SHALL GOVERN TO THE EXTENT APPLICABLE.**

14. **Counterparts.** This Rider may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument.

[Signature Page to Follow]

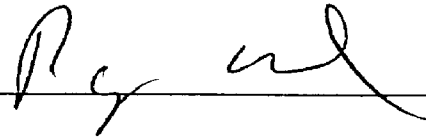
WITNESS the due execution hereof as a document under seal, as of the date first written above, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby.

ATTEST:



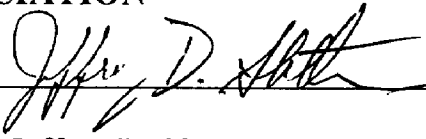
Print Name: STEPHEN MC MANON

SERVICWARE, INC.

By: 

(SEAL)
Print Name: Rajiv Enand
Title: Chief Executive Officer

**PNC BANK, NATIONAL
ASSOCIATION**

By: 

(SEAL)
Name: Jeffrey D. Sletten
Title: Vice President

STATE OF PENNSYLVANIA

)

COUNTY OF ALLEGHENY

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ss:

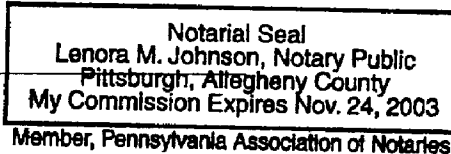
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On December 10, 1999, before me, the undersigned officer, a Notary Public, personally appeared Rajiv Enand, who acknowledged himself/herself to be an authorized officer of **SERVICWARE, INC.**, a Pennsylvania corporation, and that as such he/she, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Lenora M. Johnson
Notary Public

My commission expires: _____



(Notarial Seal)

STATE OF PENNSYLVANIA

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ss:

COUNTY OF ALLEGHENY

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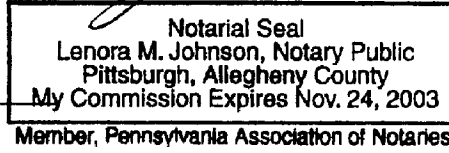
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On December 10, 1999, before me, the undersigned officer, a Notary Public, personally appeared Jeffrey D. Sletten who acknowledged himself/herself to be an authorized officer of PNC Bank, National Association, and that he/she, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing on behalf of said bank as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Lenora M. Johnson
Notary Public

My commission expires: _____



(Notarial Seal)

EXHIBIT A

THIS DOCUMENT SHALL BE HELD BY THE BANK IN ESCROW PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF THAT CERTAIN SECURITY AGREEMENT OF EVEN DATE HERewith BETWEEN THE GRANTOR AND THE BANK (THE "SECURITY AGREEMENT") AND THAT CERTAIN RIDER TO SECURITY AGREEMENT - PATENTS. BY SIGNING IN THE SPACE PROVIDED BELOW, THE UNDERSIGNED OFFICER OF THE BANK CERTIFIES THAT THE AN EVENT OF DEFAULT (AS DEFINED IN THE SECURITY AGREEMENT) HAS OCCURRED AND IS CONTINUING. UPON THE RECORDING OF THIS DOCUMENT WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE, THIS LEGEND SHALL CEASE TO HAVE ANY FORCE OR EFFECT.

PNC BANK, NATIONAL ASSOCIATION

BY: _____
PRINT NAME: _____
TITLE: _____
DATE: _____

Patent Assignment

WHEREAS, **SERVICWARE, INC.** (the "Grantor") is the owner of the entire right, title and interest in and to the United States patents, patent applications and rations listed on Schedule A attached hereto and made a part hereof, the inventions described therein and all rights associated therewith (collectively, the "Patent Collateral"), which are registered in the United States Patent and Trademark Office or which are the subject of pending applications in the United States Patent and Trademark Office; and

WHEREAS, **PNC BANK, NATIONAL ASSOCIATION**, having a place of business at 600 Grant Street, 29th Floor, Pittsburgh, Pennsylvania 15219, identified as the "Bank" under that certain Rider to Security Agreement - Patents of even date herewith (the "Grantee") is desirous of acquiring said Patent Collateral;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, the Grantor, its successors and assigns does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Patent Collateral and all proceeds thereof and all rights and proceeds associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Patent Assignment to be executed by its duly authorized officer on December 10, 1999.

ATTEST:

SERVICWARE, INC.

By: _____
(SEAL)

Print Name: _____

Print Name: Rajiv Enand
Title: Chief Executive Officer

STATE OF PENNSYLVANIA

)

)

ss:

COUNTY OF ALLEGHENY

)

On December 10, 1999, before me, the undersigned officer, a Notary Public, personally appeared Rajiv Enand, who acknowledged himself/herself to be an authorized officer of **SERVICEWARE, INC.**, a Pennsylvania corporation, and that as such he/she, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My commission expires: _____

(Notarial Seal)

SCHEDULE A to Patent Assignment

TITLE

PATENT NO.

"Software Structure for Data Delivery on Multiple Engines" (for KPF {Knowledge Pak Format})

U.S. patent #5,797,135, awarded 9/28/98

A System and Method for Representing and Retrieving Knowledge in an Adaptive Cognitive Network

U.S. patent #5,787,234, awarded 7/28/98