

03-23-2001

FORM PTO-1595 (Substitute)

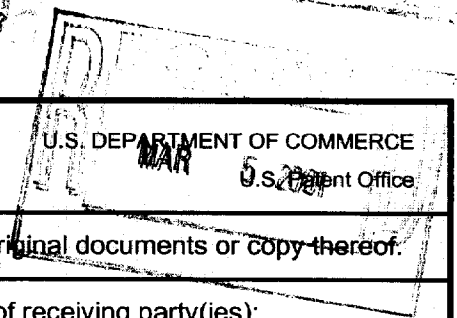
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U.S. DEPARTMENT OF COMMERCE
U.S. Patent Office



To the Director of the U.S. Patent and Trademark Office: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
INTERACTIVE SEARCH, INC.
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies):
Name: DEVELOPMENT DIMENSIONS
INTERNATIONAL, INC.
Address: 1225 Washington Pike

City: Bridgeville State: PA Zip: 15017-2838
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance: 3-5-01
 Assignment Merger
 Security Agreement Change of Name
 Other _____
Execution Date: January 18, 2001

4. Application number(s) or patent number(s)
If this document is being filed together with a new application, the execution date of the application is: _____
A. Patent Application No(s). _____ | B. Patent No(s). 5,999,939
Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: JODY L. BURTNER, SENIOR PARALEGAL
REED SMITH LLP
Address: P.O. Box 488
City: Pittsburgh State: PA Zip: 15230

6. Total number of applications and patents involved: 1
7. Total fee (37 CFR 3.41): \$ 40.00
 Enclosed
 Authorized to be charged to deposit account 18-0582
 Charge any deficiency to deposit account
8. Deposit account number: 18-0582
(Attach duplicate copy of this page if paying by deposit account)

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9. Statement and signature
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true and correct copy of the original document.
Jody L. Burtner, Senior Paralegal _____ March 2, 2001
Name of Person Signing Signature Date
Total number of pages including cover sheet, attachments, and document: 19

Mail documents to be recorded with required cover sheet information to:
Director of the U.S. Patent and Trademark Office, Box Assignments
Washington, D.C. 20231

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PATENT
REEL: 011590 FRAME: 0977

NOTE AND SECURITY AGREEMENT

\$1,000,000.00

Pittsburgh, Pennsylvania
January 18, 2001

FOR VALUE RECEIVED, the undersigned, INTERACTIVE SEARCH, INC., a California corporation (the "Borrower"), hereby promises to pay to the order of DEVELOPMENT DIMENSIONS INTERNATIONAL, INC., a Delaware corporation (the "Lender"), on the Maturity Date (as defined below) or at such earlier time or times as provided hereunder, the lesser of (i) the principal sum of ONE MILLION DOLLARS (\$1,000,000.00) or (ii) the aggregate outstanding unpaid principal balance of all Loans (as defined below) made by Lender to Borrower from time to time pursuant to this NOTE AND SECURITY AGREEMENT (as amended, modified, restated or otherwise supplemented from time to time, this "Note"). Borrower further promises to pay to the order of Lender on the Maturity Date or at such other times as required under this Note interest on the unpaid principal amount of all such Loans from time to time outstanding at the rate per annum set forth in this Note, together with all other costs, fees and Obligations that may become due and owing to Lender under this Note.

Section 1. Making of Loans. Subject to the terms and conditions of this Note, Borrower may request on or before the Maturity Date Lender to make one or more loans (each a "Loan" and collectively the "Loans") to Borrower under this Note by providing Lender with at least 3 days prior written notice (a "Loan Request") before the date on which Borrower would like the proceeds of any such Loan to be available to Borrower (each a "Funding Date"). Each Loan Request shall state the amount of the requested Loan and the intended use of the proceeds of such Loan. Borrower also shall provide Lender with such other information regarding Borrower, the Loan and the intended use of the proceeds of the Loan as Lender may at any time reasonably request. Upon receiving a Loan Request from Borrower, Lender will decide, in its sole discretion, whether to make the requested Loan to Borrower on the applicable Funding Date. Borrower may request Loans from time to time on or before the Maturity Date in an amount not to exceed \$1,000,000 in the aggregate. Borrower may not borrow, repay and reborrow funds under this Note. In no event shall Lender be required to make any Loan requested by Borrower. Any advance of funds made by Lender to Borrower shall be deemed a Loan made under this Note and Lender shall be entitled to all of the benefits of this Note in respect of any such Loan. If Lender decides (in its sole discretion) to make a Loan to Borrower under this Note, Lender will make the proceeds of such Loan available to Borrower in immediately available funds by wire transfer to the account of Borrower designated in the Loan Request for such Loan, or by such other means or medium of payment agreed upon by Borrower and Lender.

Section 2. Interest. The outstanding unpaid principal balance of the Loans under this Note shall bear interest each month at a rate equal to the Prime Rate as published in The Wall Street Journal on the first Business Day of such month, plus 4 % per annum (based upon a year of 365/366 days) (the "Contract Rate"). If any amount required to be paid under this Note is not paid when due, such amount shall bear interest during the period commencing immediately after the date and time at which such amount was due until (and including) the date on which such amount is paid at a rate per annum (based upon a year of 365/366) days of 2 percent above the applicable Contract Rate in effect from time to time under this Note.

Section 3. Payment Terms. The outstanding unpaid principal balance of the Loans under this Note, together with all accrued and unpaid interest and all other amounts which Borrower is required to pay hereunder, shall be due and payable on the Maturity Date, unless required to be paid earlier under the terms of this Note. If the time for making any payment under

this Note falls on other than a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest in connection with such payment.

Section 4. Prepayments. Borrower shall have the right at its option from time to time to prepay the outstanding unpaid principal balance of the Loans under this Note in whole or part without premium or penalty. The payment of all or any portion of the outstanding unpaid principal balance of the Loans under this Note will not result in additional funds being available for Borrower to reborrow under this Note.

Section 5. Payments Generally. Payments to Lender pursuant to this Note shall be made to the account designated in writing by Lender prior to the Maturity Date (or to such other account designated in writing by Lender from time to time) in funds immediately available at the location of such account not later than 2:00 p.m., Pittsburgh time, on the date when due, and any payment received after such time on any day shall be deemed to have been made on the next following Business Day. All payments by Borrower hereunder shall be due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue. All payments by Borrower hereunder shall be made without set-off, counterclaim, recoupment, withholding or other deduction of any kind.

Section 6. Lender's Books. The outstanding unpaid principal balance of the Loans under this Note, the accrued and unpaid interest, all other amounts which Borrower is required to pay hereunder, and the dates on which payments are received by Lender shall at all times be ascertained from the records of Lender, which shall be conclusive and binding (except to the extent, but only to the extent, that such records are proven to be erroneous by clear and convincing evidence). Notices from or on behalf of Borrower shall not be considered records of Lender for this purpose.

Section 7. Security. As security for the full and timely payment and performance of the Obligations, Borrower hereby assigns, pledges, transfers and sets over unto Lender, and hereby grants and creates in favor of Lender a security interest in and to, the Collateral, to the fullest extent permitted by applicable law.

Section 8. Borrower Remains Liable. Notwithstanding anything to the contrary herein or in any other Transaction Document, (a) Borrower shall remain liable under the contracts, agreements or documents included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Note had not been executed, (b) the exercise by Lender of any rights or remedies under or in connection with this Note or any other Transaction Document shall not release Borrower from any of its duties or obligations under the contracts, agreements or documents included in the Collateral, and (c) Lender shall not have any obligation or liability under the contracts, agreements or documents included in the Collateral by reason of this Note or any other Transaction Document, nor shall Lender be obligated to perform any of the obligations or duties of Borrower thereunder or to take any action to collect or enforce any claim for payment or otherwise assigned hereunder.

Section 9. Continuing Note. This Note creates a continuing security interest in the Collateral and shall continue in full force and effect until the Lender agrees in writing to terminate this Note. Upon such termination of this Note by Lender, the security interest granted hereby shall terminate, and all rights to the Collateral shall revert to Borrower. Upon any such termination, Lender will, at Borrower's request and expense, return to Borrower, without any representations, warranties or recourse of any kind whatsoever, such of the Collateral as then may be held by Lender

hereunder, and execute and deliver to Borrower such documents as Borrower may reasonably request to evidence such termination.

Section 10. Certain Covenants, Representations and Warranties. Borrower hereby represents, warrants and covenants to Lender as provided in this Section 10. Such representations, warranties and covenants shall constitute continuing representations, warranties and covenants in effect at all times throughout the term of this Note as if made and repeated upon the making of any Loan under this Note and at each other instant during and throughout the term of this Note, and Borrower hereby covenants that it shall not suffer any such representation, warranty or covenant to fail to be true and correct at any time during the term of this Note.

(a) Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of California. Borrower has full power and authority to execute, deliver and perform its obligations under this Note, to grant liens on and security interests in the Collateral and to service the Obligations as provided herein, and all such actions have been duly and validly authorized by all necessary action on its part. This Note has been duly and validly executed and delivered by Borrower and constitutes a legal, valid and binding obligation of Borrower, enforceable in accordance with its terms. No authorization, consent, approval, license, exemption or other action by, and no registration, qualification, designation, declaration or filing with, any government, court or government agency or authority is or will be necessary or advisable in connection with the execution and delivery by Borrower of this Note, the grant of liens and security interests as provided herein, performance of or compliance with the terms and conditions hereof, to ensure the legality, validity, perfection or priority of the security interest in the Collateral granted hereunder, or the enforceability hereof, or for the exercise by Lender of any of its rights or remedies hereunder, except for the filing of financing statements and continuation statements in appropriate jurisdictions to the extent required by the UCC as in effect in such jurisdictions and the filing of U.S. patent office filings, and for the filing of such documents as are required by the U.S. patent office to assign the DEFT Technology and Patent upon a Default by Borrower hereunder. Neither the execution and delivery of this Note, the receipt of any Loan proceeds, the grant of liens and security interests as provided herein, nor performance of or compliance with the terms and conditions hereof, does or will violate, conflict with or contravene any law, rule, regulation, order, writ or decree, or violate, conflict with, or result in a breach of or default under, the Articles of Incorporation or bylaws of the Borrower (or other constituent documents) of Borrower or any contract, agreement or instrument to which Borrower is a party or by which Borrower or any of its properties may be subject or bound.

(b) Except with respect to a claim by BrassRing, Inc. related to the enforceability of the Patent (the "BrassRing Claim"), heretofore disclosed to Lender, Borrower is the exclusive owner of, and has good and marketable title to, all of the Collateral, subject to no restriction on transfer and free and clear of any lien, security interest or adverse claim whatsoever (whether such lien, security interest or adverse claim is senior, *pari passu* or junior with respect to the security interest granted to Lender hereunder), except for the security interest granted to Lender hereunder. No effective financing statement, patent office filing or other item similar in effect covering any Collateral is on file in the U.S. patent office (or any foreign equivalent) or in any recording office, except such as may be filed in favor of Lender relating to this Note. This Note creates in favor of Lender a valid security interest in and to the Collateral, which security interest secures the Obligations as provided herein, and which security interest will be a perfected first lien security interest in and to the Collateral upon the proper filing of the appropriate UCC financing statements and patent office filings.

(c) Schedule 10(c) identifies as of the date hereof the address of the chief executive office of Borrower, of each office or location (whether maintained by Borrower or otherwise) where books and records relating to the Collateral are kept, and of each place of business of Borrower. Borrower has exclusive possession and control of the Collateral (other than any Collateral required to be delivered to Lender hereunder). Borrower is in compliance with all laws, the noncompliance with which might have a material adverse effect on the value of the Collateral or the value of the security interest in favor of Lender under this Note in the Collateral.

(d) Borrower has made or performed all U.S., recordings and other acts and has paid all required fees and taxes to maintain and protect its interest in each and every item of Collateral in full force and effect. The Borrower has all right and authority to own and use the Collateral (including the Patent and DEFT Technology) and the Collateral (including the Patent and DEFT Technology) does not in any manner violate, misappropriate or infringe upon any patent, trademark, trade secret, copyright or other intellectual property or proprietary right of any person or entity. No claim has been asserted that the Collateral or the use of such Collateral does or may violate, misappropriate or infringe upon the intellectual property or proprietary rights of any third party, and, other than the BrassRing Claim, no any action, suit, investigation, litigation or proceeding that has been asserted or is pending or, to the knowledge of Borrower, threatened against Borrower based upon or challenging or seeking to deny or restrict the use of any of the Collateral.

(e) Borrower has delivered to Lender possession of all originals of all promissory notes or other instruments, chattel paper and negotiable documents constituting Collateral. None of the Receivables is evidenced by a promissory note or other instrument, chattel paper or negotiable document.

Section 11. Certain Additional Covenants.

(a) Borrower shall (i) keep complete and accurate books and records concerning the Collateral and, at the request of Lender from time to time, permit Lender or its representatives to inspect and copy such books and records and the Collateral, (ii) notify Lender of the development of any improvement, enhancement, amendment or modification of the Collateral or any other intellectual property, proprietary information or other thing included within the definition of Collateral, whether or not patentable, and (iii) furnish to Lender such information and reports in connection with Borrower or the Collateral at such times and in such form as Lender may reasonably request from time to time. Lender shall have the right to examine Borrower's business and verify the Collateral from time to time, and Borrower shall cooperate with Lender in such examination and verification. Borrower shall identify in its records Lender's security interest in the Collateral. Borrower shall promptly furnish, or cause to be furnished, to Lender such other information about Borrower and the Collateral and in such form as Lender may request from time to time. Without limitation of the foregoing, Borrower shall permit such persons or entities as Lender may designate from time to time to visit the premises of Borrower, to examine its books and records, and to discuss its affairs with the officers and employees of Borrower, all upon reasonable prior notice.

(b) Without the prior written consent of the Lender (which, if a Default has not occurred and is not continuing, may not be unreasonably withheld), Borrower shall not sell, assign, transfer or otherwise dispose of any Collateral or any interest in the Collateral (voluntarily or involuntarily, by operation of law or otherwise), except the collection of Receivables and disbursement of proceeds therefrom in the ordinary course of business. Borrower shall not create or permit to exist any lien, security interest, option or other charge or encumbrance on any Collateral (voluntarily or involuntarily, by operation of law or otherwise), except for the security interest under this Note in

favor of Lender securing the Obligations. Borrower shall not have, use or be known by any corporate, partnership or fictitious name or trade name (other than its name as of the date hereof), nor be the subject of any merger, consolidation, public offering, change of control, or other reorganization with any party other than an affiliate of Lender, nor otherwise change its name, identity or structure, except, upon 60 days' notice to Lender (specifically referring to this Section 11(b)), and after all actions referred to in Section 13(a) have been completed.

(c) Borrower shall keep all Collateral at the addresses identified in Schedule 10(c), or upon 60 days' notice to Lender (specifically referring to this Section 11(c)), at such other locations in jurisdictions where all actions referred to in Section 13(a) have been completed. Borrower shall cause the Collateral to be maintained and preserved, and shall defend any and all challenges or claims of infringement or other claims made against or involving the Collateral or Borrower's rights in the Collateral. Borrower shall at all times retain exclusive possession and control of the Collateral (other than any Collateral required to be delivered to Lender hereunder). Borrower will not permit any Collateral to constitute or be covered by a negotiable document. If any negotiable documents exists in violation of the foregoing prohibition, Borrower will immediately deliver such negotiable documents to Lender. Borrower shall pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Collateral. Borrower shall cause the security interests in favor of Lender hereunder to be duly noted on any copy of the Collateral.

(d) Borrower shall keep its chief executive office, and the offices (whether maintained by Borrower or otherwise) where books and records relating to the Collateral are kept, and its places of business, at the respective addresses identified in Schedule 10(c) or, upon 60 days' notice (specifically referring to this Section 11(d)) to Lender, at such other locations in jurisdictions where all actions referred to in Section 12(a) have been completed. Borrower shall maintain its chief executive office in Los Angeles County, California.

(e) Except as otherwise provided in this Section 11(e), Borrower shall continue to collect, at its own expense, all amounts due or to become due Borrower under the Receivables. In connection with such collections, Borrower may take (and, at Lender's reasonable direction, shall take) such action as Borrower or Lender may deem necessary or advisable to enforce collection of the Receivables; *provided, however*, that Lender shall have the right, upon Default by Borrower and upon five days notice to Borrower of its intention to do so (for so long as a Default remains uncured), to notify (or require Borrower to notify) the account debtors or obligors under any Receivables of the security interest in favor of Lender in the Receivables and to direct such account debtors or obligors to make payments of all amounts due or to become due to Borrower thereunder directly to Lender and, upon such notification, for so long as such Default remains uncured to enforce collection of any such Receivables, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as Borrower may have done. After receipt by Borrower of the notice from Lender referred to in the proviso to the preceding sentence, (i) all amounts and proceeds (including instruments) received by Borrower in respect of the Receivables shall be received in trust for the benefit of Lender hereunder, shall be segregated from other funds of Borrower and shall be forthwith paid over or delivered to Lender in the same form as so received (with any necessary endorsement) to be held as collateral hereunder and either (A) released to Borrower so long as no Default shall have occurred and be continuing, or (B) if any Default shall have occurred and be continuing, and if Lender does not otherwise in its discretion elect to release such amounts to Borrower, applied as provided in Section 15(i) below and (ii) Borrower shall not adjust, settle or compromise the amount or payment of any Receivable, release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon.

(f) Borrower shall, at its own expense, maintain insurance with respect to Borrower and its Business and the Collateral in such amounts, against such risks, in such form, and with such insurers, as shall be satisfactory to Lender from time to time, and in any case as is customary in the case of corporations engaged in the same or a similar business as Borrower or having properties similarly situated. Each policy for insurance shall provide for all losses to be paid on behalf of Lender and Borrower as their interests may appear. Borrower shall, if so requested by Lender, deliver to Lender original or duplicate certificates or policies of such insurance and, as often as Lender may reasonably request, a report of a reputable insurance broker with respect to such insurance. Reimbursement under any insurance policy maintained by Borrower pursuant to this Section 11(e) may be paid directly to the person or entity who has incurred liability covered by such insurance. Upon the occurrence and during the continuance of any Default, all insurance payments in respect of the Collateral shall be paid to Lender and applied in accordance with the provisions of this Note and as directed by Lender.

(g) Borrower shall forthwith notify Lender of the occurrence of any Default.

(h) The proceeds of each Loan under this Note shall be used for the purposes specified in the Loan Request for such Loan, which purposes are lawful, and shall not be used for any other purpose.

(i) If any Collateral at any time is located in California, Borrower shall not permit itself to be a "retail merchant" within the meaning of Section 9102(7) of the California Uniform Commercial Code.

Section 12. Delivery. Upon Default by Borrower, Borrower shall deliver to Lender any Collateral that Lender may request be delivered to Lender (or its nominee or agent), in such manner as Lender may reasonably request. Any Collateral delivered to Lender (or its nominee or agent) pursuant to the preceding sentence shall be accompanied by instruments of transfer or assignment duly executed in blank and any and all other such instruments or documents as may be required to permit transfer to, and registration in the name of, Lender (or such nominee or agent). Any Collateral delivered to Lender (or its nominee, agent) pursuant to this Section 12 need not be segregated from other assets of Lender (or such nominee or agent or custodian).

Section 13. Further Assurances.

(a) Borrower will faithfully preserve and protect Lender's security interest in the Collateral and will promptly do all such acts and things and execute and deliver all such documents and instruments, including further pledges, grants of security interests, assignments, financing statements, patent office filings, and continuation statements, as Lender in its sole discretion may deem necessary or advisable from time to time in order to preserve, perfect, protect or give effect to such assignment, pledge or security interest or remedies in connection therewith or to enable Lender to exercise or enforce its rights and remedies hereunder. Without limiting the generality of the foregoing, Borrower will (i) execute and file such financing or continuation statements, and patent office filings, or amendments thereto, and such other instruments or notices, or amendments thereto, as may be necessary or desirable, or as Lender may request, in order to perfect and preserve any assignment, pledge or security interest granted or purported to be granted hereby, and (ii) if any Collateral shall be evidenced by a promissory note or other instrument, chattel paper or negotiable document, immediately deliver to Lender such promissory note or instrument or chattel paper or negotiable document, duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Lender. Borrower hereby authorizes Lender to file one or more financing or continuation

statements and amendments thereto, and upon Default file such patent office filings and amendments thereto, relating to any Collateral without the signature of Borrower where permitted by law. A photocopy or other reproduction of this Note or any financing statement or patent office filing covering any Collateral shall be sufficient as a financing statement where permitted by law. To the extent that any Collateral at any time is located on premises that is leased from, or otherwise belonging to, any person or entity other than Borrower, or that is subject to a mortgage or other lien in favor of any person or entity other than Borrower, Borrower shall provide Lender with a waiver agreement in form and substance satisfactory to Lender, duly executed by such landlord, mortgagee or other person or entity. Such executed waiver agreement shall be provided to Lender not later than 60 days after the date hereof, in the case of any such premises existing on the date hereof, and in the case of any other premises, not later than the first date on which any Collateral is located on such premises.

(b) - Upon default by Borrower, Borrower hereby irrevocably appoints and empowers Lender and Lender's officers, employees and authorized agents from time to time thereafter, and each of them, with full power of substitution, as attorney-in-fact for Borrower, with full authority in the place and stead of Borrower and in the name of Borrower or otherwise, from time to time in Lender's discretion, for the purpose of signing documents and taking any or all such other actions as any thereof may deem necessary or appropriate to perfect or protect Lender's rights in the Collateral, to collect or enforce or defend the Collateral, or otherwise to carry out the provisions of this Note, and to take any or all such other actions and execute and deliver any or all such instruments or documents which Lender or any such other person or entity may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, Lender and such other persons or entities acting as said attorney-in-fact shall have the right and power to demand, collect, enforce, file claims for, recover, compromise, release and take any action or institute any proceedings to collect or enforce all rights to payments due or to become due and all other rights of Borrower under or in connection with any Collateral, receive, endorse and collect all checks, notes or other instruments, documents, chattel paper or other payment media made payable to the order of Borrower representing any payment in respect of any part of the Collateral, to compromise or to give full discharge for any part of the Collateral, to sign and file financing statements pertaining hereto, and to perform all obligations of Borrower hereunder. All third parties are entitled to rely conclusively on a representation by Lender that it is entitled to exercise such power of attorney. Neither Lender nor any other person or entity shall have any liability for any action taken by it pursuant to this Section 13(b), except for its willful misconduct.

Section 14. Preservation of Collateral. Borrower assumes full responsibility for taking any and all necessary or appropriate steps to preserve its and Lender's rights with respect to the Collateral against any and all other parties, and Lender shall have no obligation to preserve any such rights or to protect or preserve any lien or security interest hereunder. Lender shall be deemed to have exercised due care in the custody and preservation of any Collateral which may be or become held by it pursuant to this Note if Lender takes such action for such purpose as Borrower shall request in writing, *provided*, that failure to honor any such request shall not of itself be deemed a failure to exercise due care (or evidence of such failure), and *provided, further*, that in no event shall Lender be obliged to take any action which, in the judgment of Lender, would impair Lender's security interest in the Collateral or its rights in, or the value of, the Collateral. Subject only to the performance by Lender of its duties set forth in this Section 14, risk of loss, damage or diminution in value of the Collateral, of whatever nature and however caused, shall be on Borrower. Any powers granted to Lender under or in connection with this Note shall not impose any duty upon Lender to exercise any such powers.

Section 15. Certain Remedies. If Borrower fails to perform any duty or obligation under or in connection with this Note, Lender may (but shall have no duty to) itself perform or cause the performance of such duty or obligation, and the expenses of Lender paid or incurred in connection therewith shall be payable by Borrower (and shall constitute part of the Obligations secured hereunder). If at any time a Default shall occur or shall exist, Lender shall have such rights and remedies with respect to the Collateral or any part thereof as are provided to a secured party by the UCC, and such other rights and remedies which it may have at law or in equity, under this Note or otherwise, and, in addition, the following provisions shall apply:

(a) If a Default (other than a Default specified in clauses (viii) or (ix) of the definition of "Default") shall occur and be continuing or shall exist, then, in addition to all other rights and remedies which Lender may have hereunder or under any other Transaction Document, at law, in equity or otherwise, (i) Borrower shall have no right to request a Loan to be made, and Lender shall continue not to have any obligation to make a Loan, under this Note, and (ii) Lender may declare the outstanding unpaid principal amount of the Loans, accrued and unpaid interest thereon and all other Obligations to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby waived, and an action therefor shall immediately accrue, in each case upon Lender providing notice to Borrower from time to time.

(b) If a Default specified in clauses (viii) or (ix) of the definition of "Default" shall occur and be continuing or shall exist, then, in addition to all other rights and remedies which Lender may have hereunder or under any other Transaction Document, at law, in equity or otherwise, (i) Borrower shall have no right to request a Loan to be made, and Lender shall continue not to have any obligation to make a Loan, under this Note, and (ii) the outstanding unpaid principal amount of the Loans, accrued and unpaid interest thereon and all other Obligations, shall become immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby waived, and an action therefor shall immediately accrue, in each case automatically upon the occurrence of such a Default and without further action on the part of Lender or any other person or entity.

(c) In the case of any Default, subject to subsection (j) below, Lender may exercise all rights and remedies with respect to the Collateral and each part thereof as are provided by the UCC to a secured party on default (whether or not the UCC applies to the affected Collateral). To the extent, if any, Lender does not otherwise have the right to do so, and to the maximum extent permitted by applicable law, Lender may, subject to subsection (j) below, (i) take absolute possession and control of the Collateral or any part thereof, (ii) transfer any Collateral into the name of Lender or its nominees, (iii) notify the parties obligated on the Collateral to make to Lender any payments due or to become due, (iv) receive any payments made under or in connection with the Collateral, (v) exercise all rights and remedies of Borrower under or in connection with the Collateral, (vi) demand, collect, enforce, defend, file claims for, sue for, recover, compromise, release, and take any action or institute any proceedings to collect or enforce or defend, all rights to payments due or to become due and all other rights of Borrower under or in connection with any Collateral, and (vii) otherwise deal in and act with respect to the Collateral in all respects as though it were the outright owner thereof.

(d) In the case of any Default, all payments received by Borrower in respect of any Collateral shall be received in trust for the benefit of Lender, shall be segregated from other funds of Borrower and shall be forthwith paid over to Lender in the same form as so received (with any necessary endorsement).

(e) In the case of any Default, Lender may, upon written notice to Borrower delivered at least five days prior to any such action, apply the cash, if any, then held by it as Collateral hereunder to the payment of the Obligations and, if there shall be no such cash or the cash so applied shall be insufficient to pay in full all Obligations, sell all or any portion of the Collateral at any public or private sale or otherwise dispose of the Collateral as permitted by applicable law, for cash, upon credit or for future delivery, in one lot or in separate parcels, all as Lender may determine (and Lender may be the purchaser of any or all of the Collateral so sold and in such event shall thereafter own and hold the same, absolutely, free from any right or claim of whatsoever kind, and Lender shall have the right to bid in the Obligations or any part thereof for such purpose).

(f) **[Intentionally Omitted].**

(g) Upon any sale of the Collateral Lender shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. Each purchaser (which may include Lender) at any such sale shall hold the property sold absolutely, free from any claim or right of whatever kind, including any equity or rights of redemption, of Borrower, and Borrower specifically waives, to the fullest extent permitted by law, against any such purchaser all rights of redemption, stay or appraisal which Borrower has or may have under any law now existing or hereafter adopted.

(h) **[Intentionally Omitted].**

(i) All payments and distributions on account of the Collateral, all proceeds received by Lender in respect of any sale of, collection from or other realization upon any part of the Collateral, and any other cash held by Lender under this Note, shall be applied: (i) first, to the payment of the reasonable costs and expenses in connection with such sale, including without limitation reasonable attorneys' fees and legal expenses, and all reasonable expenses, liabilities and advances made or incurred by Lender in connection therewith, (ii) second, to payment of such of the other Obligations as Lender in its sole discretion may elect, and (iii) finally, after payment in full of all Obligations, to pay the balance, if any, to Borrower or as otherwise required by law. Borrower shall remain fully liable for any deficiency.

(j) Notwithstanding any provision in this Note to the contrary, Lender shall seek to enforce its remedies provided hereunder first against the Receivables, and if all Obligations are not satisfied through the exercise of its remedies against the Receivables as provided herein, then against the other Collateral (it being understood and agreed that the Lender, when exercising remedies against such other Collateral, shall only (unless prohibited from doing so under applicable law) realize upon such other Collateral by selling it by means of a public sale or auction, at which the Lender may be a bidder and may credit bid).

(k) As contemplated by Section V.D of that certain Term Sheet for the Proposed Acquisition of Interactive Search, Inc., dated as of January 18, 2001, which has been executed and delivered by Borrower and Lender (the "Term Sheet"), in the event all of the holders of at least 100,000 shares of common stock of Borrower, on an as converted basis, have approved the merger with Lender and executed the releases pursuant to Section VII(A)(4), but Lender shall have not obtained, by February 5, 2001, the approval of National City Bank of Pennsylvania to consummate the merger with Borrower and Lender notifies Borrower that it does not intend to proceed with the merger, principal outstanding under this Note in an amount of \$175,000 shall be deemed forgiven by Lender hereunder.

Section 16. Taxes. Borrower agrees to pay and discharge all taxes, levies and other impositions levied on the Collateral, including all late charges, assessments and penalties with respect thereto. If Borrower shall fail to do so, Lender may (but shall have no duty to) pay such taxes, levies or impositions for the account of Borrower, and Borrower shall indemnify Lender for the same (and such amounts shall constitute part of the Obligations secured hereunder).

Section 17. Certain Expenses. Borrower agrees to reimburse and indemnify Lender, on demand, for all costs, fees, expenses and liabilities, including but not limited to reasonable fees and expenses of counsel, incurred by Lender from time to time arising from or related to the performance or administration of this Note, the taking delivery, holding, protection, defense, collection, sale or liquidation of, or other exercise of rights or remedies in respect of, any Collateral, or the administration, preservation or enforcement of any of Lender's rights under or in connection with this Note, including but not limited to such expenses as may be incurred by Lender in the collection of this Note or in any litigation, proceeding, dispute or so-called "work-out" in any way related to this Note, and all of the foregoing amounts shall constitute part of the Obligations secured hereunder.

Section 18. Set-Off. If at any time any amount shall be due and payable under this Note (whether or not demand for payment has been made), Lender and its affiliates shall have the right, in addition to all other rights and remedies available to it, without notice to Borrower, to set off against and to appropriate and apply to the then outstanding unpaid balance of the Loans under this Note and all other Obligations any debt owing to, and any other funds held in any manner for the account of, Borrower by Lender or such affiliates.

Section 19. Notices. All notices, demands, directions and other communications hereunder (collectively, "notices") shall be in writing (including facsimile communications) and shall be sent by facsimile (with confirmation promptly sent by any of the following methods), by personal delivery, by U.S. mail (first-class, registered, certified or express), or by overnight courier, in all cases with charges prepaid. Any properly given notice shall be effective when received, except that notices to Borrower shall be effective at the following time, if earlier: if notice is by facsimile, upon transmission; if by U.S. mail, three Business Days after transmission; if by overnight courier, one Business Day after transmission, or if by hand delivery, upon delivery. All notices shall be sent to the applicable party at the address stated on the signature pages hereof or in accordance with the last unrevoked written direction from such party to the other party hereto.

Section 20. Successors. Borrower may not assign or transfer (in whole or in part, voluntarily or involuntarily, by operation of law or otherwise) any of its rights in, to or under the Loans, this Note or the Collateral, and any such purported assignment shall be void, without the express prior written consent of Lender.

Section 21. No Waiver; Remedies Cumulative; Amendments and Waivers. No failure or delay on the part of Lender in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No such failure or delay by either party shall constitute a waiver of its rights hereunder. Subject to the priority of exercise of remedies set forth in Section 15(j) hereof, the rights and remedies of the parties under this Note are cumulative and not exclusive of any rights or remedies which they would otherwise have (under any other instrument or agreement or otherwise). Neither this Note nor any term hereof may be amended, waived, discharged or terminated except to the extent set forth in a writing manually signed by or on behalf of the party to be charged therewith.

Section 22. Survival. All representations, warranties and covenants made by Borrower herein or in any certificate, document or instrument from time to time delivered by it or on its behalf under or in connection with this Note shall be considered to have been relied upon by Lender and shall survive the execution and delivery of this Note, any knowledge or investigation by Lender, and all other events whatever. All statements in any such financial statement, certificate, document or instrument shall constitute warranties and representations by Borrower hereunder. All obligations of Borrower to make payments to or indemnify Lender shall survive the payment in full of principal of and interest on the Loans under this Note and any other Obligations, release or redelivery of Collateral, and all other events whatsoever.

Section 23. Entire Agreement. This Note constitutes the entire agreement of Borrower and Lender with respect to the subject matter hereof and supersedes in their entirety all prior negotiations, agreements, understandings and communications with respect thereto. Without limitation of the foregoing, no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon Lender unless expressed herein.

Section 24. Limitation on Payments. The parties hereto intend to conform to all applicable laws in effect from time to time limiting the maximum rate of interest that may be charged or collected. Accordingly, notwithstanding any other provision of this Note, Borrower shall not be required to make any payment to Lender, and Lender shall refund any payment made by Borrower, to the extent that such requirement or such failure to refund would violate or conflict with applicable laws limiting the maximum amount of interest which may be charged or collected by Lender.

Section 25. Interpretation. The headings in this Note are for convenience only and shall not be construed as a part of this Note. Unless the context clearly requires otherwise, the term "including" means "including without limitation." In the event that the State of Illinois or any other applicable jurisdiction adopts revisions to Article 9 of the UCC (or has adopted such revisions which are not yet effective) that are inconsistent with the provisions of this Note or any other Transaction Document, Borrower shall upon request of Lender agree to an amendment, modification, supplement or restatement of the affected provisions of this Note or any other Transaction Document that is consistent with the intent hereof and permissible under such revised Article 9. The provisions of this Note have been fully negotiated and agreed to by the parties, after due consultation with their respective legal counsel, and accordingly no doctrine providing for construction of this Note thereof against the drafter shall apply to this Note. Time is of the essence for payment, performance or observance of any obligation, covenant, condition, term or provision hereof on the part of Borrower.

Section 26. Severability. The provisions of this Note are intended to be severable. If any provision of this Note shall be held invalid or unenforceable in whole or in part in any jurisdiction such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction. This Note may be executed in any number of counterparts, each of which shall be deemed an original, and all such counterparts shall constitute but one and the same agreement.

Section 27. Definitions. In addition to other words and terms defined elsewhere herein, as used herein the following terms shall have the following meanings:

"Business Day" shall mean a day other than a Saturday, Sunday, legal holiday or other day on which banks are authorized or obligated to close in Pittsburgh, Pennsylvania.

"Collateral" shall mean (a) the patent identified on Exhibit A to this Note, together with all U.S. applications related to, and improvements, enhancements, amendments or modifications to or arising out of or from, such patent (collectively, the "Patent"), (b) the DEFT Technology, (c) all intellectual property rights of any kind or nature, trade secret or proprietary information, unpatented inventions (whether or not patentable), computer software or hardware (including all source code), or other property or rights of any kind or nature constituting a part of the DEFT Technology, (c) all accounts, contract rights, chattel paper, instruments, documents and deposit accounts, and rights to proceeds of letters of credit arising out of the sale or lease of goods or the rendering of services, and all rights now or hereafter existing in and to all security agreements, guaranties and other agreements securing or otherwise relating to any such accounts, contract rights, chattel paper, instruments, documents, deposit accounts, or general intangibles or rights to proceeds of letters of credit (such accounts, contract rights, chattel paper, instruments, documents, and deposit accounts, and rights to proceeds of letters of credit being collectively the "Receivables," and such security agreements, guaranties and other agreements being collectively the "Related Contracts"); (d) all books and records in whatever form (together with all related software) relating to, or used in connection with, any Collateral, and (e) all proceeds of any of the foregoing (including without limitations proceeds which constitute property of the types described in the foregoing clauses (a) through (d)) and, to the extent not otherwise included, all payments under insurance (whether or not Lender is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral.

"Default" shall mean (i) a Payment Default, (ii) default by Borrower in the performance or observance of any covenant, agreement or duty under this Note, (iii) the failure of any representation or warranty contained in this Note to be true and accurate; (iii) Borrower shall default in the performance of any covenant, agreement or duty under, or any other event of default shall occur under, any other agreement for borrowed money; (iv) a proceeding shall have been instituted in respect of Borrower (A) seeking to have an order for relief entered in respect of Borrower, or seeking a declaration or entailing a finding that Borrower is insolvent or a similar declaration or finding, or seeking dissolution, winding-up, charter revocation, liquidation, reorganization, arrangement, composition or other similar relief, or (B) seeking appointment of a receiver, trustee, custodian, liquidator, assignee, sequestrator or other similar official for Borrower or any significant part of its assets (regardless of how brief such appointment may be), or (v) shall consent to or shall for any reason become subject to any order for relief, declaration, finding, appointment or other relief described in the foregoing clause (iv) (whether or not any proceeding referred to in such clause (iv) is instituted), shall dissolve, wind-up or liquidate itself or any significant part of its property, or shall take any action in furtherance of the foregoing.

"DEFT Technology" shall mean the data extracted from text technology as described in Exhibit B attached to this Note, which is being developed by Borrower, together with all related U.S. or foreign patents, trademarks, trade names, service marks and copyrights and other intellectual property rights of any kind or nature, trade secrets or proprietary information, unpatented inventions (whether or not patentable), computer software or hardware (including all source code) or rights related thereto.

"Maturity Date" shall mean July 18, 2001.

"Note" shall mean this Note and Security Agreement (including all schedules and exhibits hereto), as amended, modified, restated or otherwise supplemented from time to time.

"Obligations" shall mean all indebtedness, obligations and liabilities of Borrower to Lender from time to time in connection with this Note, whether such indebtedness, obligations or liabilities are joint or several, absolute or contingent, whether for payment or performance, due or to become due, now existing or hereafter arising, whether or not evidenced by separate agreement, instrument or book entry. Without limitation of the foregoing, "Obligations" includes the outstanding unpaid principal balance of the Loans under this Note, all accrued and unpaid interest thereon, all expenses or other amounts and all indemnities arising under or in connection with or evidenced by or under color of this Note or any instrument or obligation under or in connection herewith, and all extensions, renewals and refinancings of the foregoing.

"Payment Default" shall mean failure by Borrower to pay any Obligation under this Note when due.

"Transaction Documents" shall mean this Note and the financial statements, patent office filings and other documents at any time executed, delivered or filed in connection with this Note.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of Illinois.

Section 28. Governing Law. THIS NOTE, AND ANY ACTION, SUIT, PROCEEDING, CLAIM OR OTHER DISPUTE ARISING IN CONNECTION WITH OR RELATING HERETO (INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTIONS OF LENDER, AND WHETHER FOR BREACH OF CONTRACT, TORT OR ANY OTHER THEORY OF LIABILITY, AND WHETHER AT LAW OR IN EQUITY), SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ILLINOIS AND THE UNITED STATES (IN EACH CASE WITHOUT REGARD TO CHOICE OF LAW PRINCIPLES THEREOF), EXCEPT TO THE EXTENT THAT PERFECTION AND THE EFFECT OF PERFECTION OR NONPERFECTION OF THE SECURITY INTERESTS IN THE COLLATERAL IS GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF ILLINOIS PURSUANT TO THE UCC.

Section 29. Submission to Jurisdiction, etc. BORROWER HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(a) AGREES THAT ANY ACTION, SUIT, PROCEEDING, CLAIM OR OTHER DISPUTE BY ANY PERSON OR ENTITY ARISING FROM OR RELATING TO THIS NOTE (INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTIONS OF LENDER, WHETHER FOR BREACH OF CONTRACT, TORT OR ANY OTHER THEORY OF LIABILITY, AND WHETHER AT LAW OR IN EQUITY) (COLLECTIVELY, "RELATED LITIGATION") MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED IN THE CITY OF CHICAGO, ILLINOIS (THE "DESIGNATED COURTS"), SUBMITS TO THE JURISDICTION OF THE DESIGNATED COURTS, AND TO THE FULLEST EXTENT PERMITTED BY LAW AGREES THAT IT WILL NOT BRING ANY RELATED LITIGATION IN ANY FORUM OTHER THAN A DESIGNATED COURT;

(b) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY RELATED LITIGATION BROUGHT IN ANY DESIGNATED COURT, WAIVES ANY CLAIM THAT ANY RELATED LITIGATION IN A DESIGNATED COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM, AND WAIVES ANY RIGHT TO OBJECT, WITH RESPECT TO ANY RELATED LITIGATION BROUGHT IN ANY DESIGNATED COURT, THAT SUCH DESIGNATED COURT DOES NOT HAVE JURISDICTION OVER BORROWER;

(c) CONSENTS AND AGREES TO SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER LEGAL PROCESS IN ANY RELATED LITIGATION BY REGISTERED OR CERTIFIED U.S. MAIL, POSTAGE PREPAID, TO THE BORROWER AT THE ADDRESS FOR NOTICES DESCRIBED HEREIN, AND CONSENTS AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE IN EVERY RESPECT VALID AND EFFECTIVE SERVICE (BUT NOTHING HEREIN SHALL AFFECT THE VALIDITY OR EFFECTIVENESS OF PROCESS SERVED IN ANY OTHER MANNER PERMITTED BY LAW); AND

(d) WAIVES THE RIGHT TO TRIAL BY JURY IN ANY RELATED LITIGATION.

Section 30. Limitation of Liability. TO THE FULLEST EXTENT PERMITTED BY LAW, NO CLAIM MAY BE MADE BY BORROWER AGAINST LENDER OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, ATTORNEY, AGENT OR OTHER REPRESENTATIVE OF LENDER FOR ANY SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM ARISING FROM OR RELATING TO THIS NOTE OR ANY OTHER TRANSACTION DOCUMENT OR ANY STATEMENT, COURSE OF CONDUCT, ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HEREWITH OR THEREWITH (WHETHER FOR BREACH OF CONTRACT, TORT OR ANY OTHER THEORY OF LIABILITY). BORROWER HEREBY WAIVES, RELEASES AND AGREES NOT TO SUE UPON ANY CLAIM FOR ANY SUCH DAMAGES, WHETHER SUCH CLAIM PRESENTLY EXISTS OR ARISES HEREAFTER AND WHETHER OR NOT SUCH CLAIM IS KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

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IN WITNESS WHEREOF, Borrower has, by its duly authorized representatives signed below, executed and delivered this Note and Security Agreement as of the date set forth above.

INTERACTIVE SEARCH, INC., as Borrower

By *Gene Welsh*

Printed Name: GENE WELSH

Date: 1/17/01

Address for Notices:

5959 W. CENTURY BLVD
LOS ANGELES CA. 90045
SUITE 200

Attention: GENE WELSH

Telephone: 310-665-4298

Facsimile: 310-665-4299

ACCEPTED:

DEVELOPMENT DIMENSIONS INTERNATIONAL, INC., as Lender

By _____

Printed Name: _____

Title _____

Address for Notices:

Attention: _____

Telephone: _____

Facsimile: _____

SCHEDULE 10(C)

Location of Offices, etc.

A. Address (including street address and county) of the chief executive office of Borrower:

5959 West Century Blvd.
Suite 200
Los Angeles, CA 90045

B. Address (including street address and county) of each office (whether maintained by Borrower or otherwise) where books and records relating to Collateral are kept:

5959 West Century Blvd.
Suite 200
Los Angeles, CA 90045

C. Address (including street address and county) of each place of business of Borrower:

5959 West Century Blvd.
Suite 200
Los Angeles, CA 90045

D. Changes in the foregoing information during the one year period ending on the date of this Note:

None.

EXHIBIT A

The Patent

PATENT NO.: 5,999,939

ISSUED: December 07, 1999 (19991207)

INVENTOR(s): de Hilster, David Scott, Long Beach, CA (California), US
(United States of America)

Porter, Alan George, Huntington Beach, CA (California), US
(United States of America)

Reese, John, Los Angeles, CA (California), US (United States
of America)

ASSIGNEE(s): Interactive Search, Inc , (A U.S. Company or Corporation), Los
Angeles, CA (California), US (United States of America)

APPL. NO.: 9-19,948

FILED: February 06, 1998 (19980206)

This application claims the benefit of U.S. Provisional Application No. 60-068,404 filed Dec. 21, 1997



Exhibit B.
DEFT (Data Extraction From Text)

DEFT is a proprietary natural language processing application developed by iSearch for the purpose of extracting key fields of data from a specific type of unstructured document; *i.e.* a resume. The extraction of this data enables iSearch to format it into structured fields in a resume database. This, in turn, allows a client to perform a refined search of this fielded information with respect to very specific criteria.

Currently DEFT extracts approximately 40 fields of information in three categories:

Contact Information – Name, Address, Phone numbers, Email address

Education – 3 sources of education or degrees - facts include School, Degree, and Graduation Date

Experience – last 3 positions – facts include Company name, Job Title, and Dates of Employment