

07-20-2001

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

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

1. Name of conveying party(ies):
Padcom, Inc.

LMD 7/16/01
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: Liberty Partners Lenders
L.L.C.
Internal Address: _____
1370 Avenue of Americas

34th-35th Floors

Street Address: _____

New York NY 10019
City: _____ State: _____ Zip: _____
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
Execution Date: 6/12/01

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)
08/932,532
09/652,009
Additional numbers attached? Yes No

B. Patent No.(s) 5,717,737
6,198,920

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: David M. Perry, Esquire
Internal Address: _____
Blank Rome Comisky & McCauley LLP

Street Address: One Logan Square

Philadelphia PA 19103
City: _____ State: _____ Zip: _____

6. Total number of applications and patents involved: 4
7. Total fee (37 CFR 3.41).....\$ 160.00
 Enclosed
 Authorized to be charged to deposit account
8. Deposit account number:
02-2555
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.
David M. Perry, Esq.
Name of Person Signing

David M. Perry
Signature
6/27/01
Date

Total number of pages including cover sheet, attachments, and documents:

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

07/20/2001 6TON11 00000025 08932532
01 FC:581 160.00 DP

PATENT SECURITY AGREEMENT

This Patent Security Agreement ("Agreement") is made as of the 1st day of June, 2001, by Padcom, Inc., a Pennsylvania corporation ("Debtor"), having a mailing address at 2005 City Line Road, Bethlehem, PA, and delivered to Liberty Partners Lenders, L.L.C., a Delaware limited liability company ("Lender"), with an address at 1370 Avenue of the Americas, 34th and 35th Floors, New York, New York 10019.

BACKGROUND

A. This Agreement is being executed contemporaneously with, inter alia, that certain Senior Secured Non-Revolving Promissory Note of even date herewith between Debtor, and Lender (as it may hereafter be supplemented, restated, amended, modified or replaced from time to time, the "Senior Note "). Capitalized terms not defined herein shall have the meanings given to such terms in, or by reference in, the Senior Note.

B. Debtor has adopted, used and is using (or has filed applications for the registration of) the patents, patent rights and patent applications listed on Schedule "A" attached hereto and made part hereof (all such patents, patent rights and patent applications hereinafter referred to as the "Patents").

C. Pursuant to this Agreement, Debtor is granting Lender a lien on, and security interest in, the Patents and the registration thereof, together with all the goodwill of Debtor associated therewith and represented thereby, as security for the payment of all of the sums owing to Lender under the Senior Note, and hereunder including, without limitation, principal, interest, fees and expenses (including attorneys' fees) now or hereafter owing, matured or unmatured, and any extensions, renewals, modifications or increases thereof, (collectively, "Secured Obligations"), and desires to have its security interest in such Patents 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 hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. For good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the Secured Obligations (whether at the stated maturity, by acceleration or otherwise), Debtor grants a lien and security interest to Lender in all of its present and future right, title and interest in and to the Patents, together with all the goodwill of Debtor associated with and represented by the Patents, 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. Debtor hereby covenants and agrees to maintain the Patents in full force and effect until all of the Secured Obligations are satisfied in full, in cash and Lender's agreement to make advances under the Senior Note has been terminated.

3. Debtor represents, warrants and covenants that:

- a. The Patents are subsisting and have not been adjudged invalid or unenforceable;
- b. Each of the Patents is valid and enforceable;
- c. Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, and each of the Patents is and will remain free and clear of any liens, claims, charges and encumbrances, including, without limitation, pledges, assignments, licenses and covenants by Debtor not to sue third persons;
- d. Debtor has the unqualified right, power and authority to enter into this Agreement and perform its terms;
- e. Debtor has complied with, and will continue for the duration of this Agreement to comply with, the requirements set forth in 35 U.S.C. §1 et. seq. and any other applicable statutes, rules and regulations in connection with its use of the Patents; and
- f. Debtor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in products leased or sold under the Patents and hereby grants to Lender (with no obligation of any kind upon Lender to do so) the right to visit Debtor's locations which manufacture, process, sell, or store products under any of the Patents and to inspect the products and quality control records relating thereto at reasonable times during regular business hours to ensure Debtor's compliance with this paragraph 3(f).

4. Debtor further covenants that:

- a. Until all of the Secured Obligations have been satisfied in full, in cash, and Lender's agreement to make advances under the Senior Note has been terminated, will not enter into any agreement, including without limitation, license agreements or options, which are inconsistent with Debtor's obligations under this Agreement.
- b. The Patents listed on Schedule "A" constitute all of the Patents, and all applications for any of the foregoing, now owned by Debtor. If, before all Secured Obligations shall have been satisfied in full, in cash, and Lender's agreement to make advances under the Secured Note shall have been terminated, Debtor shall (i) obtain rights to any new patentable inventions, or (ii) become entitled to the benefit of any patent application, or patent for any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement or any Patent, the provisions of this Agreement shall automatically apply thereto and such patent application, or patent for any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement or any Patent, shall be deemed part of the Patents. Debtor shall give Lender prompt written notice thereof along with an amended Schedule "A."

5. So long as this Agreement is in effect and so long as Debtor has not received notice from Lender that an Event of Default has occurred and is continuing under the Senior Note, and that Lender has elected to exercise its rights hereunder, Debtor shall continue to have the exclusive right to use the Patents and Lender shall have no right to use the Patents or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Patents to anyone else.

6. Debtor shall not sell, license, grant any option, assign or further encumber its rights and interest in the Patents.

7. Anything herein contained to the contrary notwithstanding, if and while an Event of Default exists under the Senior Note, Debtor hereby covenants and agrees that Lender, as the holder of a security interest under the Uniform Commercial Code (as may be in effect from time to time), may take such action permitted hereunder or permitted by law, in its exclusive discretion, to foreclose upon the Patents covered hereby. For such purposes, and in the event of an Event of Default under the Senior Note and while such Event of Default exists, Debtor hereby authorizes and empowers Lender, its successors and assigns, and any officer or agent of Lender as Lender may select, in its exclusive discretion, as Debtor's true and lawful attorney-in-fact, with the power to endorse Debtor's name on all applications, assignments, documents, papers and instruments necessary for Lender to use the Patents or to grant or issue any exclusive or non-exclusive license under the Patents to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Patents to anyone else including, without limitation, the power to execute a patent assignment in the form attached hereto as Exhibit 1. Debtor 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 coupled with an interest, irrevocable for the life of this Agreement, and until all of the Secured Obligations are satisfied in full and Lender's agreement to make advances under the Senior Note has been terminated.

8. This Agreement may not be modified without the written consent of the parties hereto.

9. All rights and remedies herein granted to Lender shall be in addition to any rights and remedies granted under the Senior Note.

10. Upon full and unconditional satisfaction of all of the Secured Obligations, in cash, and termination of Lender's agreement to make advances under the Senior Note, Lender shall, at Debtor's sole expense, execute and deliver to Debtor all documents reasonably necessary to terminate Lender's security interest in the Patents.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Lender in connection with the documentation of this Agreement, 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 Patents, or in defending or prosecuting any actions or proceedings arising out of or related to the Patents, or defending, protecting or enforcing Lender's rights hereunder, shall be borne and paid by Debtor on demand by Lender and until so paid shall be added to the principal amount of the Secured Obligations and shall bear interest at the applicable rate for the Loan at the rate prescribed in the Senior Note.

12. Debtor shall have the duty to prosecute diligently any patent application with respect to the Patents pending as of the date of this Agreement or thereafter, until the Secured Obligations shall have been satisfied in full, in cash, and Lender's agreement to make advances under the Senior

Note terminated, to preserve and maintain all rights in the Patents, and upon request of Lender, Debtor shall make federal application on registrable but unregistered patents belonging to Debtor. Any reasonable expenses incurred in connection with such applications shall be borne by Debtor. Debtor shall not abandon any Patent without the prior written consent of Lender.

13. Debtor shall have the right to bring suit in its own name to enforce the Patents, in which event Lender, may, if Debtor reasonably deems it necessary, be joined as a nominal party to such suit if Lender shall have been satisfied, in its sole discretion, that it is not thereby incurring any risk of liability because of such joinder. Debtor shall promptly, upon demand, reimburse and indemnify Lender for all damages, reasonable fees, costs and expenses, including attorneys' fees, incurred by Lender in the fulfillment of the provisions of this paragraph.

14. During the existence of an Event of Default, Lender may, without any obligation to do so, complete any obligation of Debtor hereunder, in Debtor's name or in Lender's name, but at Debtor's sole cost and expense.

15. No course of dealing between Debtor and Lender nor any failure to exercise, nor any delay in exercising, on the part of Lender any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Lender's rights and remedies with respect to the Patents, whether established hereby or by the Loan Documents, or by any other future agreements between Debtor and Lender or by law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

17. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties; provided that Debtor may not assign or delegate any of Debtor's rights, duties or obligations hereunder without Lender's prior written consent.

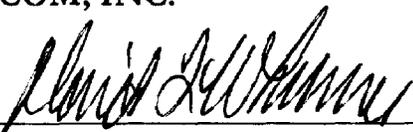
18. This Agreement shall, in all respects, be governed by and construed and enforced in accordance with the laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York, except that the filing, perfection, effect of perfection and enforcement of security interests and liens under this Agreement in other jurisdictions shall be governed by the laws of the applicable jurisdictions in accordance with the UCC or other applicable law.

19. To the extent permitted by law, Debtor hereby waives personal service of any and all process upon it and consents that all such service of process be made by certified registered mail directed to it at its address set forth in this Agreement, and service so made shall be deemed to be

completed three business days after the same shall have been deposited in the U. S. mail, postage prepaid. In addition, Debtor and Lender each hereby waive trial by jury, any objections based on forum non conveniens and any objection to venue of any action arising out of, connected with, related to or incidental to the transactions contemplated by or the relationships established in connection with this Agreement.

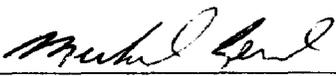
IN WITNESS WHEREOF, the parties hereto have executed this Patent Security Agreement, under seal, the day and year first above written.

PADCOM, INC.

By: 
Name: David L. Whitmore
Title: President /CEO

Approved and Accepted:

LIBERTY PARTNERS LENDERS, L.L.C.

By: 
Name: Michael Levina
Title: VP

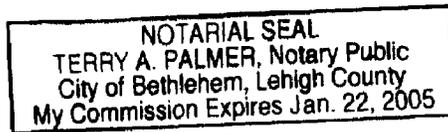
CORPORATE ACKNOWLEDGEMENT

UNITED STATES OF AMERICA :
STATE OF PENNSYLVANIA : SS
COUNTY OF Lehigh :

On this 12th day of June, 2001, before me personally appeared **DAVID L. WHITMORE**, to me known and being duly sworn, deposes and says that ~~s~~/he is **DAVID L. WHITMORE** of PADCOM, INC., the Debtor corporation described in the foregoing Agreement; that he/~~she~~ signed the Agreement thereto as such officer pursuant to the authority vested in him/~~her~~ by law; that the within Agreement is the voluntary act of such company; and ~~s~~/he desires the same to be recorded as such.



Notary Public



CORPORATE ACKNOWLEDGEMENT

UNITED STATES OF AMERICA :
STATE OF NEW YORK : SS
COUNTY OF new York :

On this 12th day of June, 2001, before me personally appeared Michael Laine to me known and being duly sworn, deposes and says that s/he is VP of LIBERTY PARTNERS LENDERS, L.L.C., the limited liability company described in the foregoing Agreement; that he signed the Agreement as such officer pursuant to the authority vested in him/her bylaw; that the within Agreement is the voluntary act of such limited liability company; and s/he desires the same to be recorded as such.

JoAnn Amelio
Notary Public

JO ANN AMELIO
Notary Public, State of New York
No. 01AM5029868
Qualified in Richmond County
Commission Expires 5/02

SCHEDULE A TO PATENT SECURITY AGREEMENT

<u>PATENTS</u>	<u>REGISTRATION NO.</u>	<u>COUNTRY</u>	<u>REG. DATE</u>
Doviak et al.	5,717,737	U.S.A.	February 10, 1998
Doviak et al.	6,198,920	U.S.A.	March 6, 2001

PATENT APPLICATIONS

08/932,532	Apparatus and Method for Intelligent Routing of Data Between a Remote Device and a Host System
09/652,009	Method and Apparatus for Routing Data Over Multiple Remote Networks

Exhibit 1

PATENT ASSIGNMENT

WHEREAS, PADCOM, INC., a Pennsylvania corporation ("Grantor") is the registered owner of the United States patents, patent rights and patent applications listed on Schedule A attached hereto and made a part hereof (the "Patents"), which are registered in the United States Patent and Trademark Office; and

WHEREAS, _____ having a place of business at _____
_____ ("Grantee") is desirous of acquiring said Patents;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, 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 Patents and all proceeds thereof and all goodwill associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Patent Assignment to be executed as of the ___ day of _____, 2001.

PADCOM, INC.

Witness: _____

By: _____
as Attorney-in-Fact

STATE OF _____ :
 : SS
COUNTY OF _____ :

On this the ____ day of _____, 2001, before me a Notary Public for the said County and State, personally appeared _____ known to me or satisfactorily proven to me to be attorney-in-fact on behalf of [_____] ("Grantor"), and he/she acknowledged to me that he/she executed the foregoing Patent Assignment on behalf of Grantor, and as the act and deed of Grantor for the purposes therein contained.

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

NOTARY PUBLIC

SCHEDULE A TO PATENT ASSIGNMENT

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