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Form PTO-1595

(Rev. 03/01)

OMB No. 0651-0027 (exp. 5/31/2002)

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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):

Virotek, L.L.C.

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

## 3. Nature of conveyance:



Assignment



Merger



Security Agreement



Change of Name



Other \_\_\_\_\_

Execution Date: May 21, 2004

## 2. Name and address of receiving party(ies)

Name: Wellington Capital Management, Inc.

Internal Address: \_\_\_\_\_

Street Address: 333 Skokie Blvd.

Suite 108

City: Northbrook State: IL Zip: 60062

Additional name(s) & address(es) attached? ☐ Yes ☒ No

## 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)

6,572,745 B2; 6,576,102 B1

Additional numbers attached? ☐ Yes ☒ No

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

Name: Mary E. Dicig

Internal Address: \_\_\_\_\_

Schwartz, Cooper, Greenberger &amp; Krauss, Chtd.

Street Address: 180 N. LaSalle Street

Suite 2700

City: Chicago State: IL Zip: 60601

## 6. Total number of applications and patents involved: 2

7. Total fee (37 CFR 3.41).....\$ 80.00



Enclosed



Authorized to be charged to deposit account

## 8. Deposit account number:

502803

(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.*

Scott M. Lapins

Name of Person Signing

Signature

6/4/05

Date

Total number of pages including cover sheet, attachments, and documents: 12

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231

06/07/2004 6TON11 00000117 502803 6572745

01 FC:8021

80.00 DA

PATENT  
REEL: 015409 FRAME: 0201

## SECURITY AGREEMENT

JULY 24 THIS SECURITY AGREEMENT (this "Security Agreement"), dated as of 2003 is made by Efoora Inc., a Delaware corporation (the "Company"), in favor of WASHINGTON CAPITAL MGT INC. (the "Lender").

### RECITALS:

To induce the Lender to loan to the Company the aggregate amount of ONE HUNDRED and Fifty Thousand and 00/100 Dollars (\$150,000) evidenced by that certain Secured Convertible Promissory Note dated the date hereof (the "Note"), the Company has agreed to grant a security interest in favor of the Lender in certain of its assets.

NOW, THEREFORE, in consideration of the foregoing, and for the covenants and agreements contained herein, the parties hereto agree as follows:

1. Grant of Security Interest. The Company hereby grants to the Lender a continuing first priority security interest in the Primos patent (the "**Primos Patent**") of the Company and a junior security interest in all other assets (the "**Other Assets**" and, together with the Primos Patent, the "**Collateral**") of the Company. The Others Assets are subject to a first priority security interest in favor of Fifth Third Bank pursuant to an agreement entered into prior to the date of this Security Agreement relating to the extension of credit in the amount of \$500,000. The junior position of Holder in the Other Assets are not pari passu with any other person.

2. Secured Obligations. The security interest granted under this Security Agreement is to secure the prompt payment to the Lender of (i) the sums due under the Note, including interest and charges according to the terms of the Note and any extensions, renewals, modifications or replacements thereof, (ii) the performance of all covenants, conditions and agreements contained in the Security Agreement and the Note and (iii) to the extent not prohibited by law, costs and expenses of collection or enforcement, including reasonable attorney's fees ((i), (ii), and (iii) collectively referred to herein as the "**Obligations**"). If the Obligations are paid according to their terms, and all other payments are made and all other terms, conditions, covenants and agreements contained in this Security Agreement are satisfied, then this Security Agreement and the security interests created hereby shall terminate and be of no further force and effect.

3. Representations and Warranties. As further inducement to the Lender to make the loan evidenced by the Note, the Company represents and warrants to the Lender as follows:

(a) The Company has full right, power and authority to enter into this Agreement, to execute and deliver the Note, to grant the security interest in the Collateral and to perform each and all of the matters and things provided for in this Agreement. The execution and delivery of this Agreement and the Note, and the observance and performance of any of the matters and things herein or therein set forth, has been duly authorized and approved by all necessary action of the Company, will not violate or contravene any provision of any existing law, rule or regulation of any governmental agency or authority, any order or decision of any court or any

term of the articles of incorporation or by-laws of the Company, or any indenture, loan agreement or other agreement of or affecting the Company.

(b) There are no liens, security interests, claims or charges on the Collateral, and there are no financing statements covering any of the Collateral on file in any public office other than the first priority security interest in the Other Assets in favor of Fifth Third Bank pursuant to an agreement entered into prior to the date of this Security Agreement relating to the extension of credit in the amount of \$500,000. The junior position of Holder in the Other Assets are not pari passu with any other person.

(c) The Company has no indebtedness or liabilities that are past due or in default, nor has any act or omission occurred which, with the giving of notice or the passage of time, would constitute a default with respect to such liabilities and indebtedness. The Company has assets which exceed its liabilities and is paying its obligations generally as they become due.

4. Company Covenants. From and after the date hereof and for so long as any amount remains unpaid on the Note, except to the extent compliance in any case or cases is waived in writing by the Lender, the Company hereby covenants and agrees with the Lender as follows:

(a) The Lender shall at all reasonable times have full access to, and the right to audit, check, inspect and make abstracts and copies from the Company's books, records, files and audits.

(b) The Company will at any time and from time to time upon request of the Lender take or cause to be taken any action and execute, acknowledge, deliver or record any further documents, opinions, security agreements or other instruments which the Lender in its reasonable discretion deems necessary or appropriate to carry out the purposes of this Agreement and to preserve, protect and perfect the security intended to be created and preserved in the Collateral and to establish, preserve and protect the security interest of the Lender in and to the Collateral including, but not limited to, filing a UCC-1.

5. Default; Acceleration; Remedies. Any one of the following shall constitute a default hereunder (an "Event of Default"):

(a) The Company fails to make a principal or other payment when the Lender makes demand for payment;

(b) The Company fails to timely perform or observe any term, covenant or agreement contained in this Agreement or the Note and the Company fails to cure such default within twenty (20) days of written notice of such default;

(c) The Company suspends the operation of its business;

(d) The Company becomes insolvent or the subject of state insolvency proceedings, fails generally to pay its debts as they become due or makes an assignment for the benefit of creditors; or a receiver, trustee, custodian or other similar official is appointed for, or takes possession of any substantial part of the property of the Company and such proceeding or

receiver, trustee, custodian or other similar official is not dismissed within sixty (60) days from the date of the filing or appointment or the assignment is not voided within such period; and

(e) The Company takes corporate action to authorize the Company to become the subject of proceedings under the United States Bankruptcy Code; or the execution by the Company of a petition to become a debtor under the United States Bankruptcy Code; or the filing of any involuntary petition against the Company under the United States Bankruptcy Code which remains undismissed for a period of sixty (60) days; or the entry of an order for relief under the United States Bankruptcy Code against the Company.

The Lender shall have the option to accelerate the Obligations upon an Event of Default by giving written notice to the Company. In the event the Lender elects to accelerate, the unpaid principal and other amounts owed on the Obligations, together with all sums paid by the Lender as authorized or required under this Security Agreement or other evidence of the Obligations, shall become immediately due and payable. The Lender may exercise from time to time during the continuance of an Event of Default any rights and remedies available to it under applicable law. Any notification of and intended disposition of any of the Collateral required by law shall be deemed reasonable if properly given at least twenty (20) days before such disposition. Any proceeds of any disposition by the Lender of the Collateral may be applied by the Lender and any balance of such proceeds may be applied by the Lender toward the payment of the Obligations.

The Company hereby constitutes and appoints the Lender as its true and lawful attorney, irrevocably, with full power, which power shall become effective upon an Event of Default and shall continue only during the continuance of an Event of Default, to perform the Company's duties herein or cause them to be performed, to act, require, demand, record, compound and give acquittance for any and all monies and claims for monies due or to become due to the Company under or arising out of the Collateral, to endorse checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Lender may deem to be necessary or advisable in the premises. This appointment as attorney is coupled with an interest.

6. Waiver. The Lender may waive any default without waiving any other subsequent or prior default by the Company. All waivers must be in writing.

7. Expenses. To the extent not prohibited by law, the Company shall pay all reasonable costs and expenses, including without limitation, attorneys' fees and expenses, incurred by the Lender in collecting on the Note or enforcing its rights under this Security Agreement.

8. Severability. Invalidity or unenforceability of any provision of this Security Agreement shall not affect the validity or enforceability of any other provision.

9. Successors and Assigns. This Security Agreement benefits the Lender, his successors and assigns and binds the Company and its successors and assigns.

10. Choice of Law. This Security Agreement shall be construed in accordance with the internal laws of the State of Illinois without regard to principles of choice of law.

11. Modification; Waiver. This Security Agreement may be modified only in writing executed by the parties. Forbearance or any protective act by the Lender shall not be a waiver. The Company waives, to the extent permissible, all laws or practices relating to moratorium, appraisement, marshaling, homestead, dower and the like.

12. Recitals. The recitals set forth above are hereby incorporated in and made a part of this Security Agreement by this reference.


IN WITNESS WHEREOF, this Security Agreement has been duly executed on the day and the year first above written.

EFOORA INC.

By: 

Title: C.E.O.

LENDER: Wellington Capital Mgt., Inc.

  
By: Susan Einspar-Wayne  
Its President

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**MODIFICATION OF SECURITY AGREEMENT**

21st **THIS MODIFICATION OF SECURITY AGREEMENT** (this "Modification"), dated the day of May, 2004 to be made effective as of July 24, 2003, is made by and between **EFOORA INC.**, a Delaware corporation (the "Company"), **WELLINGTON CAPITAL MANAGEMENT, INC.**, an Illinois corporation ("Lender") and **VIROTEK, L.L.C.**, an Illinois limited liability company ("Virotek").

**RECITALS**

A. The Company and Lender entered into a Security Agreement dated as of July 24, 2003 (the "Security Agreement") whereby the Company granted to Lender a first priority security interest in the Primos patents of the Company and a security interest in all of its other assets junior only to a security interest in favor of Fifth Third Bank.

B. Pursuant to Paragraph 4(b) of the Security Agreement, the Company agreed to take any action to execute, acknowledge, deliver and record the documents necessary to carry out the purposes of the Security Agreement to preserve, protect and perfect the security interests intended to be created.

C. The Primos patents in which Lender was to receive a first priority security interest are the United States Patent No. US 6,572,745 B2 issued June 3, 2003 and US 6,576,102 B1 issued June 10, 2003 (together, the "Primos Patent").

D. The Primos Patent is owned by Virotek which is a subsidiary of the Company which owns eighty percent (80%) of the outstanding membership interest of Virotek.

E. Virotek directly or indirectly benefited from the loan from Lender to the Company.

F. The Company, Lender and Virotek are entering into this Modification to make Virotek a party of the Security Agreement in order to effectively pledge and secure the security interest in the Primos Patent granted to Lender and to provide a more detailed description of the other assets pledged to Lender.

**NOW, THEREFORE**, in consideration of the foregoing, and for the covenants and agreements contained herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. The Security Agreement is hereby amended by making Virotek a party thereto.
2. Paragraph 1 of the Security Agreement is hereby amended to add the following:

"Virotek hereby grants to Lender a continuing first priority security interest in the Primos Patent including, without limitation, the inventions and improvements described and claimed therein, and the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, and all income, proceeds, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing

including, without limitation, damages and payments for the past, present and future infringements of any of the foregoing and the right to sue for the past, present and future infringements of any of the foregoing. Virotek agrees to execute and deliver to Lender a patent security agreement of the Primos Patent in a form recordable with the United States Patent Office."

3. Paragraph 1 of the Security Agreement is hereby revised to provide that the "Other Assets" are defined as follows:

"The Other Assets shall mean all assets and personal property of the Company now owned and hereafter acquired including all "inventory", "equipment", "fixtures", "accounts", "chattel paper", "documents", "farm products", "general intangibles", "investment property", "goods", "instruments", "deposit accounts", "letter of credit rights", "payment intangibles", "supporting obligations", "software", and all rents, issues, profits and "proceeds" and products of the foregoing wherever located. All descriptions in quotes shall have the meaning given in the Uniform Commercial Code of the State of Illinois."

4. The following Paragraph 3(d) is hereby added to the Security Agreement:

"3(d) Virotek has full right, power and authority to enter into this Modification, to grant the security interest in the Primos Patent and to perform each and all of the matters and things provided for in this Modification and in the Security Agreement. The execution and delivery of this Modification and the Security Agreement, and the observance and performance of any of the matters and things herein or therein set forth has been duly authorized and approved by all necessary action of Virotek, will not violate or contravene any existing law, rule or regulation of any governmental agency or authority, any order decision of any term of the articles of organization or operating agreement of Virotek, or any indenture, loan agreement or other agreement of or affecting Virotek. Except with respect to the financing statement described in Exhibit "B" which are to be released pursuant to Paragraph 5 of this Modification, there are no liens, security interest, claims or charges on the Primos Patent, and there are no financing statements or collateral assignments covering the Primos Patent on file in any public office."

5. The Company hereby notifies Lender that the financing statements listed on Exhibit "A" hereto are on file with the Illinois Secretary of State. The Company acknowledges that Lender reserves all of its rights and remedies against the Company with respect to any prior representations regarding the priority of the lien interest granted to Lender. The Company and Virotek have also informed Lender of the existence of the financing statements listed on Exhibit "B" attached hereto. The Company and Virotek have informed Lender that such filings were filed in error and are inappropriate and hereby agree to take whatever action is reasonably necessary to have such financing statements released within five (5) days of the date hereof and to diligently pursue obtaining such releases if they are not reasonably obtainable within such five (5) day period. The Company and Virotek agree to provide Lender with a copy of such releases upon receipt. The Company and Virotek acknowledge that Lender reserves all of its rights and remedies against the Company and Virotek which in any way relate to such financing statements.

6. Lender acknowledges that the Company and Virotek have informed Lender that they believe that despite the representations made in Paragraph 3(b) of the Security Agreement, the parties entered into the Security Agreement with the knowledge that other similarly situated lenders which made loans at approximately the same time as Lender were being granted identical security interests. Virotek, the Company and Lender reserve all of the respective rights and remedies against each other with respect to this claim. In addition, Lender agrees to execute such documents as are necessary to reasonably acknowledge that the security agreements granted to Lender are pari passu with the security interests granted such similarly situated lender in connection with the sale of senior secured convertible notes between July 1, 2003 and September 30, 2003 provided the aggregate of all such interests, including Lender's, do not exceed \$1,000,000.00.

7. Paragraph 4 of the Security Agreement is hereby amended to provide that all covenants of the Company contained therein shall apply equally to Virotek.

8. The provisions of subparagraphs 5(b), (c), (d) and (e) of the Security Agreement are hereby amended to apply equally to Virotek.

9. The Company hereby agrees to pay all reasonable costs and expenses incurred by Lender in connection with the preparation of this Modification and the filing of financing statements and the filing of a security agreement with the United States Patent Office.

10. The Recitals set forth above are hereby incorporated in and made a part of this Modification.

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SIGNATURE PAGE FOLLOWS]**



IN WITNESS WHEREOF, the parties hereto have executed this Modification of Security Agreement to be effective as of the date and year first above written.

EFOORA INC, a Delaware corporation

By: 

Title: CEO

LENDER:

WELLINGTON CAPITAL MANAGEMENT, an  
Illinois corporation

By: 

Title: President

VIROTEK, L.L.C., an Illinois limited liability company

By: 

Title: CEO

**EXHIBIT A**

Debtor: Efoora Inc

WESTLAW IL Secretary of State UCC results as of:  
05/13/04Known financing statements and collateral assignments of record  
covering the Other Assets

IL Secretary of State	UCC	3831816	04/10/98	Integrated Systems Inc.	Specific equipment - Computer	Appears listed
		4307725	12/07/00	Remington Tech Corp Inc d/b/a Remington Leasing	Fixtures and products	
		4468925	12/03/01	Balboa Capital	Leased equipment	
		4488180 Assignment	12/21/01	Assignee: Financial Pacific Leasing LLC		
		4529022	01/02/02	Bank of America NA CLSC FAB13 MORT TEAM 5	Leased equipment	
		5233976 Assignment		Assignee: Wells Fargo Bank Minnesota, N.A.		

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VIROTEK

B476347394 P.07/07

**EXHIBIT B**

Debtor: Virotek LLC

WESTLAW DE Secretary of State UCC results as of:  
05/13/04Known financing statements and collateral assignments of record  
covering the Primos Patent

DE Secretary of State	UCC	21473242	05/20/02	Blanket
Fifth Third Bank (Chicago), A Michigan Banking Corporation				

Debtor: Virotek LLC

WESTLAW IL Secretary of State UCC results as of:  
05/13/04Known financing statements and collateral assignments of record  
covering the Primos Patent

IL Secretary of State		4161798	03/04/00	Blanket
Tastron Financial Corp				

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TOTAL P.07