

PATENT ASSIGNMENT

Electronic Version v1.1

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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
SQAD, Inc.	06/22/2006
RECEIVING PARTY DATA	
Name:	Citizens Bank of Massachusetts
Street Address:	28 State Street
City:	Boston
State/Country:	MASSACHUSETTS
Postal Code:	02109
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	11056601
CORRESPONDENCE DATA	
Fax Number:	(703)415-1557
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	703-415-1555
Email:	mail@specializedpatent.com
Correspondent Name:	Christopher E. Kondracki
Address Line 1:	2001 Jefferson Davis, Hwy., Suite 1007
Address Line 4:	Arlington, VIRGINIA 22202
ATTORNEY DOCKET NUMBER:	6070802
NAME OF SUBMITTER:	Christopher E. Kondracki
Total Attachments: 9 source=SQAD Patent#page1.tif source=SQAD Patent#page2.tif source=SQAD Patent#page3.tif source=SQAD Patent#page4.tif source=SQAD Patent#page5.tif	

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## **PATENT AND PATENT APPLICATIONS SECURITY AGREEMENT**

THIS PATENT AND PATENT APPLICATIONS SECURITY AGREEMENT (the "Agreement") made this 22<sup>nd</sup> day of June, 2006 by **SQAD INC.**, a New York corporation having an address of 303 South Broadway, Tarrytown, NY 10591-5410 (the "Borrower") in favor of **CITIZENS BANK OF MASSACHUSETTS**, a Massachusetts state chartered bank having an address at 28 State Street, Boston, Massachusetts 02109 (the "Bank").

### **RECITALS**

WHEREAS, pursuant to a certain loan arrangement by and between the Borrower and Bank, evidenced by, among other documents, a certain Amended and Restated Revolving Credit Agreement of even date herewith (as the same may hereafter be amended, supplemented, or restated from time to time, the "Credit Agreement"), the Bank agreed to make a certain Loan (as defined in the Credit Agreement) available to the Borrower;

WHEREAS, under the Credit Agreement that certain Security Agreement (as amended and in effect, the "Security Agreement") dated January 25, 2000 between the Borrower and the Bank, the Borrower has granted a security interest in the Borrower's assets to secure the Obligations (as defined in the Credit Agreement) of the Borrower to the Bank;

WHEREAS, as a condition, among others, to the Bank entering into the Credit Agreement, and as to further secure the Obligations, the parties hereto shall execute this Agreement.

NOW THEREFORE, for value received, the receipt of which is hereby acknowledged, including, without limitation, enabling the Borrower to obtain credit or other financial accommodations from the Bank, the Borrower hereby agrees as follows:

1. **Definitions:** Capitalized terms used herein without definition shall have the respective meanings provided therefore in the Credit Agreement.
2. **Grant of Security Interest:** To secure the Obligations, the Borrower hereby confirms and acknowledges that it has granted and created (and, to the extent not previously granted under the Credit Agreement and/or the Security Agreement, does hereby irrevocably grant and create) a security interest in favor of the Bank, with power of sale to the extent permitted by law (which power of sale shall be exercisable only following the occurrence and during the continuance of an Event of Default) in and to each of the following and all proceeds thereof (collectively, the "Patent Collateral"):
  - a. All of the Borrower's now owned or hereafter owned, whether now existing or hereafter arising, patents, patent applications, and any and all divisions, reissues and continuations of said patents including, without limitation, those listed on **Exhibit A** annexed hereto and made a part hereof, together with any goodwill of the business connected with and symbolized by any such patents.
  - b. All renewals of any of the foregoing.

- c. All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the foregoing, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof.
  - d. The right to sue for past, present and future infringements of any of the foregoing.
  - e. All of the Borrower's rights corresponding to any of the foregoing throughout the world.
3. **Protection of Patent Collateral By Borrower:** The Borrower shall undertake the following with respect to the Patent Collateral:
- a. Pay all renewal fees and other fees and costs associated with maintaining the Patent Collateral and with the processing of the Patent Collateral.
  - b. At the Borrower's sole cost, expense, and risk, pursue the prompt, diligent, processing of each application for registration which is the subject of the security interest created herein, and not abandon or unreasonably delay any such efforts.
  - c. At the Borrower's sole cost, expense, and risk, take any and all action which the Borrower deems desirable to protect the Patent Collateral, including, without limitation, but subject to the Borrower's sole discretion, the prosecution and defense of infringement actions.
4. **Borrower's Representations and Warranties:** The Borrower represents and warrants that:
- a. The Patent Collateral **Exhibit A** includes all of the Patent Collateral now owned by the Borrower.
  - b. All Patent Collateral is and shall remain, free and clear of all liens and encumbrances.
  - c. The Borrower shall give the Bank written notice (with reasonable detail) within ten (10) business days following the occurrence of any of the following:
    - i. the Borrower's obtaining ownership rights to, and filing applications for registration of, any new patents, or otherwise acquires ownership of any new patents or patent applications (for the avoidance of doubt, other than the Borrower's right to sell products embodying the patents of others in the ordinary course of the Borrower's business).
    - ii. the Borrower's entering into any new patent license agreement in which the Borrower grants rights to any patent or patent application.
5. **Agreement Applies to Future Patents:**

- a. The provisions of this Agreement shall automatically apply to any such additional property or rights described in 4(c), above, all of which shall be deemed to be and treated as "Patent Collateral" within the meaning of this Agreement.
- b. The Borrower hereby authorizes the Bank to take all such action to record and perfect the Bank's interest in and concerning any future patents or patent applications, written notice of which is so given, including, without limitation, amending **Exhibit A** hereto, *provided, however*, the Bank's taking of such action shall not be a condition to the creation or perfection of the security interest created hereby.

6. **Borrower's Rights To Enforce Patent Collateral:** Prior the Bank's giving of notice to the Borrower following the occurrence and during the continuance of an Event of Default, the Borrower shall have the exclusive right to sue for past, present and future infringement of the Patent Collateral including the right to seek injunctions and/or money damages, in an effort by the Borrower to protect the Patent Collateral against encroachment by third parties, *provided, however*:

- a. the Borrower first provides the Bank with written notice of the Borrower's intention to so sue for enforcement of any Patent Collateral.
- b. Any money damages awarded or received by the Borrower on account of such suit (or the threat of such suit) shall constitute Patent Collateral.
- c. Following the occurrence and during the continuance of any Event of Default, the Bank, by notice to the Borrower, may terminate or limit the Borrower's rights under this Section 6.

7. **Bank's Actions To Protect Patent Collateral:** In the event of

- a. the Borrower's failure to cure any failure by the Borrower to perform any of the Borrower's obligations hereunder; and/or
- b. the occurrence and continuance of any Event of Default,

the Bank, acting in its own name or in that of the Borrower, may (but shall not be required to) act in the Borrower's place and stead and/or in the Banks' own right in connection with the maintenance and protection of the Patent Collateral.

8. **Rights Upon Default:** Upon the occurrence and during the continuance of any Event of Default, the Bank may exercise all rights and remedies of a secured party upon default under the UCC, with respect to the Patent Collateral, in addition to which the Bank may sell, license, assign, transfer, or otherwise dispose of the Patent Collateral. Any person may conclusively rely upon an affidavit of an officer of the Bank that such an Event of Default has occurred and is continuing and that the Bank is authorized to exercise such rights and remedies.

9. **Bank As Attorney In Fact:**

- a. The Borrower hereby irrevocably constitutes and designates the Bank as and for the Borrower's attorney in fact, exercisable after the occurrence and during the continuance of any Event of Default:
  - i. To exercise any of the rights and powers referenced herein.
  - ii. To execute all such instruments, documents, and papers as the Bank determines to be appropriate in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the Patent Collateral as permitted herein.
- b. The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until this Agreement is terminated by a duly authorized officer of the Bank.
- c. The Bank shall not be obligated to do any of the acts or to exercise any of the powers authorized by Section 9(a) herein, but if the Bank elects to do any such act or to exercise any of such powers, it shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to the Borrower for any act or omission to act except for any act or omission to act as to which there is a final determination made in a judicial proceeding (in which proceeding the Bank has had an opportunity to be heard) which determination includes a specific finding that the subject act or omission to act had been grossly negligent or in actual bad faith.

**10. Bank's Rights:**

- a. Any use by the Bank of the Patent Collateral, as authorized hereunder in connection with the exercise of the Bank's rights and remedies under this Agreement and under the Credit Agreement shall be coextensive with Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges.
- b. None of this Agreement or any other Loan Document, or any act, omission, or circumstance taken or arising hereunder may be construed as directly or indirectly conveying to the Bank any rights in and to the Patent Collateral, which rights are only effective following the occurrence and during the continuance of any Event of Default.

- 11. Intent:** It is intended that this Agreement supplement the Credit Agreement and the Security Agreement. All provisions of the Credit Agreement and the Security Agreement shall apply to the Patent Collateral. The Bank shall have the same rights, remedies, powers, privileges and discretions, with respect to the security interests created in the Patent Collateral as in all other Collateral. In the event of a conflict between this Agreement and the Credit Agreement and/or the Security Agreement, the terms of this Agreement shall control with respect to the Patent Collateral and the Credit Agreement and the Security Agreement with respect to all other Collateral.

12. **Choice of Laws:** It is intended that this Agreement take effect as a sealed instrument and that all rights and obligations hereunder, including matters of construction, validity, and performance, shall be governed by the laws of The Commonwealth of Massachusetts.
13. **Termination; Release of Patent Collateral.** This Agreement shall terminate when all the Obligations have been paid in full and the Bank shall have no further commitment to lend, at which time the Bank shall execute and deliver to the Borrower, at the Borrower's expense, all termination statements that the Borrower shall reasonably request to evidence such termination.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Borrower and the Bank respectively have caused this Patent and Patent Applications Agreement to be executed by their respective duly authorized officers as of the date first above written.

CITIZENS BANK OF MASSACHUSETTS

By: Michael D. Elnell  
Name: Michael D. Elnell  
Title: Vice President

SQAD INC.

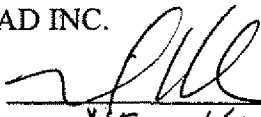
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the Borrower and the Bank respectively have caused this Patent and Patent Applications Agreement to be executed by their respective duly authorized officers as of the date first above written.

CITIZENS BANK OF MASSACHUSETTS

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SQAD INC.

By:   
Name: NEIL K. AL  
Title: PRESIDENT / CEO

STATE OF NEW YORK

COUNTY OF Westchester

On the 22<sup>nd</sup> day of June in the year 2006, before me, the undersigned, a notary public in and for said state, personally appeared HEIL KIM, the PRESIDENT of SQAD Inc. personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as the PRESIDENT of SQAD Inc. and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

My Commission Expires:

**GLEN PATRICK CUMMINGS**  
**NOTARY PUBLIC STATE OF NEW YORK**  
**No. 02-CU0970700**  
**QUALIFIED IN ROCKLAND COUNTY**  
**COMMISSION EXPIRES MARCH 04, 20**10

**EXHIBIT A**

The Borrower's now owned or existing or hereafter acquired or arising registered patents and patent applications, including, without limitation:

**Patent Applications**

<b>Title</b>	<b>Application No.</b>	<b>Filing Date</b>
System and method for aggregating advertising pricing data	11/056,601	2/11/05

**Patents**

None

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