

07-22-2004

7/28/04



Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)

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

102797091

Tab settings

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

1. Name of conveying party(ies): COREL INC., a Delaware corporation

- Individual(s) Association General Partnership Limited Partnership Corporation-State Other

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

2. Name and address of receiving party(ies) Name: WELLS FARGO FOOTHILL, INC.

Internal Address: Suite 3000 West

Street Address: 2450 Colorado Avenue

City: Santa Monica State: CA Zip: 90404

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State California Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 06/28/2004

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) Please see attached Exhibit A.

B. Trademark Registration No.(s) 2280170 Please see attached Exhibit A.

Additional number(s) attached Yes No

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

Name: FEDERAL RESEARCH CO., LLC

Internal Address:

Attention: Penelope Agodoa

Suite 920

Street Address: 1030 15th Street, NW

City: Santa Monica State: CA Zip: 20005

6. Total number of applications and registrations involved: 4

7. Total fee (37 CFR 3.41) \$ 115.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

RECEIVED 2004 JUL 22 PM 8:00 ASSIGNMENT DIV

DO NOT USE THIS SPACE

9. Signature.

Kimberley A. Lathrop Name of Person Signing

Kimberley A. Lathrop Signature

July 20, 2004 Date

Total number of pages including cover sheet, attachments, and document: 14

07/23/2004 LNUELLER 00000030 2280170

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

01 FC:8521 40.00 OP 02 FC:8522 75.00 OP

TRADEMARK REEL: 003010 FRAME: 0780

# EXHIBIT A

## List of Trademarks

### Corel Inc. -

The following trademarks are registered under the name of Corel Inc.

Title	Country	Class	Number	Status
ACTIVE CGM	U.S.A.	09	2,280,170	Registered
IDIAGRAMS	U.S.A.		2,646,138	Registered
IGRIDS	U.S.A.		2,652,178	Registered
M MICROGRAFX (Stylized)	AUSTRALIA	09,42	708827	Registered
M MICROGRAFX (Stylized)	FRANCE	09,16,42	96/627023	Registered
M MICROGRAFX (Stylized)	SPAIN	42	2036972	Registered

M MICROGRAFX (Stylized)	SPAIN	09	2036965	Registered
M MICROGRAFX (Stylized)	SWEDEN	09,16,42	323111	Registered
MICROGRAFX	AUSTRALIA	09	A520432	Registered
MICROGRAFX	FRANCE	09	1551746	Registered
MICROGRAFX FLOWCHARTER	AUSTRALIA	09	753061	Registered
MICROGRAFX FLOWCHARTER	FRANCE	09	97/699399	Registered
MICROGRAFX GRAPHICS SUITE	AUSTRALIA	09	753062	Registered
MICROGRAFX GRAPHICS SUITE	FRANCE	09	97/698413	Registered
MICROGRAFX GRAPHICS SUITE	SPAIN	09	2112540	Registered
PICTURE PUBLISHER	AUSTRALIA	09	553742	Registered
PROCESS CENTRAL	U.S.A.	09	2,615,831	Registered

**AMENDED AND RESTATED  
SECURITY AGREEMENT - TRADEMARKS**

THIS AMENDED AND RESTATED SECURITY AGREEMENT – TRADEMARKS dated June 28, 2004 (this “Security Agreement”), is made between **COREL INC.**, a Delaware corporation, with offices at 1600 Carling Avenue, Ottawa, Ontario, Canada K1Z8R7 (“Pledgor”), and **WELLS FARGO FOOTHILL, INC.**, a California corporation, in its capacity as the Agent (as defined herein) for the Lenders (as defined herein) (in such capacity, “Pledgee”), with an office at 2450 Colorado Avenue, Suite 3000 West, Santa Monica, California 90404. Initially capitalized terms used herein without definitions shall have the meanings given in the Guaranty (as defined herein).

W I T N E S S E T H:

Pursuant to a Loan and Security Agreement, dated as of August 25, 2003 (the “Original Loan Agreement”), entered into by, on the one hand, **WELLS FARGO FOOTHILL, INC.**, a California corporation (“WFF”), and on the other hand, **COREL HOLDINGS, L.P.**, a Cayman Islands limited partnership (“Parent”), **VECTOR CC HOLDINGS III, SRL**, a Barbados entity (“Vector Holdings III”), **VECTOR CC HOLDINGS, SRL**, a Barbados entity (“Vector SRL”), **COREL CORPORATION**, an Ontario corporation (“Borrower” and together with Parent, Vector Holdings III, Vector SRL and Pledgor, each individually an “Obligor” and collectively the “Obligors”), WFF agreed to make loans to Borrower in an amount of up to \$17,500,000 for the purposes stated therein.

As of the date hereof, WFF, as the arranger and administrative agent for the Lenders (as defined herein) (in such capacity, the “Agent”) has entered into the First Amended and Restated Loan and Security Agreement of even date herewith, with the lenders identified on the signature pages thereof (such lenders, together with their respective successors and permitted assigns, are referred to hereinafter each individually as a “Lender” and collectively as the “Lenders”), the Pledgor, and the other Obligors signatory thereto (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the “Loan Agreement”), pursuant to which the Original Loan Agreement has been amended and restated in its entirety, to set forth, among other things, (a) the multi-lender structure of the loan facility, (b) the appointment by the Lenders of WFF as Agent for the benefit of the Lenders and (c) the extension of further loans and financial accommodations to Borrower.

On August 25, 2003, due to the close business and financial relationships between Borrower and Pledgor, in consideration of the benefits accrued to Pledgor and as an inducement for and in consideration of WFF making loans and advances and providing other financial accommodations to Borrower pursuant to the Original Loan Agreement and the other Loan Documents (as defined in the Original Loan Agreement, as such Loan Documents may be amended, modified, supplemented, extended, renewed, restated or replaced from time to time, hereinafter referred to as the “Original Loan Documents”), Pledgor entered into a Guaranty Agreement (the “Original Guaranty”) for the benefit of WFF, pursuant to which Pledgor

guaranteed the payment of the obligations of the Borrower under the Original Loan Documents for the benefit of WFF.

As of the date hereof, Pledgor has executed that certain Amended and Restated Guaranty Agreement (the "Guaranty") in favor of WFF in order, among other things, to (a) continue the guarantee of the obligations of the Borrower under the Loan Documents (hereinafter used as defined in the Loan Agreement, as such Loan Documents may be amended, modified, supplemented, extended, renewed, restated or replaced from time to time), and (b) reflect that WFF in its capacity as the Agent, for the benefit of the Lenders, rather than WFF in its capacity as the sole Lender, is the beneficiary of the Guaranty.

On August 28, 2003, Pledgor, as pledgor, and WFF, as pledgee, entered into a Collateral Assignment of Trademarks (the "Original Security Agreement"), pursuant to which Pledgor pledged to WFF, and granted to WFF a security interest in, all of Pledgor's right, title and interest in all the trademarks, United States trademarks and trademark registrations, and the trademark applications and tradenames of Pledgor to secure the payment of Pledgor's obligations under the Original Loan Agreement.

It is a condition precedent to the effectiveness of the amendment and modification of the Original Loan Agreement as contemplated in the Loan Agreement, that the parties hereto amend and restate the Original Security Agreement in its entirety as set forth in this Security Agreement in order, among other things, to (a) continue the security interest created under the Original Security Agreement with respect to all of Pledgor's right, title and interest in the Collateral (such term being used in this Security Agreement as defined below), (b) reflect that WFF in its capacity as the Agent for the benefit of the Lender Group and the Bank Product Providers, rather than WFF in its capacity as the sole Lender, is the Pledgee, and (c) reflect that the pledge and security interest granted and continued in this Security Agreement secure the full payment and performance of the Obligations (as defined herein).

Pledgor owns all right, title, and interest in and to, among other things, all the trademarks, United States trademarks and trademark registrations, and the trademark applications and tradenames, set forth on Exhibit A hereto (the "Trademarks").

NOW THEREFORE, for valuable consideration received and to be received, as security for the full payment and performance of the Guaranteed Obligations and the "Obligations" under the Loan Agreement (collectively, the "Obligations"), and to induce Pledgee and the Lenders to amend and restate the Original Loan Agreement as contemplated in the Loan Agreement, and to continue to make loans and advances to Pledgor, Pledgor hereby grants to Pledgee, for the benefit of the Lender Group and the Bank Product Providers, a continuing security interest in:

- (a) the Trademarks;
- (b) all registrations of the Trademarks in any State of the United States and any foreign countries and localities;

(c) all tradenames, trademarks and trademark registrations hereafter adopted or acquired and used, including, but not limited to, those which are based upon or derived from the Trademarks or any variations thereof (the "Future Trademarks");

(d) all extensions, renewals, and continuations of the Trademarks and Future Trademarks and the registrations referred to in clause (b) above;

(e) all rights to sue for past, present and future infringements of the Trademarks and Future Trademarks;

(f) all packaging, labeling, trade names, service marks, logos, and trade dress including or containing the Trademarks and Future Trademarks, or a representation thereof, or any variation thereof;

(g) all licenses and other agreements under which Pledgor is licensor, and all fees, rents, royalties, proceeds or monies thereunder, relating to the Trademarks and Future Trademarks and the use thereof; and

(h) all goodwill of Pledgor's business connected with, symbolized by or in any way related to the items set forth in clauses (a) through (g) above.

All of the foregoing items set forth in clauses (a) through (h) are hereinafter referred to collectively as the "Collateral."

AND Pledgor hereby covenants with Pledgee as follows:

1. Pledgor's Obligations. Pledgor agrees that, notwithstanding this Security Agreement, it will perform and discharge and remain liable for all its covenants, duties, and obligations arising in connection with the Collateral and any licenses and agreements related thereto. Neither Pledgee nor any Lender or Bank Product Provider shall have any obligation or liability in connection with the Collateral or any licenses or agreements relating thereto by reason of this Security Agreement or any payment received by Pledgee or any Lender or Bank Product Provider relating to the Collateral, nor shall Pledgee or any Lender or Bank Product Provider be required to perform any covenant, duty, or obligation of Pledgor arising in connection with the Collateral or any license or agreement related thereto or to take any other action regarding the Collateral or any such licenses or agreement.

2. Representations and Warranties. Pledgor represents and warrants to Pledgee that:

(a) Pledgor is the owner of the Collateral, and no adverse claims have been made with respect to its title to or the validity of the Collateral;

(b) the Trademarks are the only trademarks, trademark registrations, trademark applications and trade names in which Pledgor has any or all right, title and interest;

(c) none of the Collateral is subject to any mortgage, pledge, lien, security interest, lease, charge, encumbrance or license (by Pledgor as licensor), except for

Pledgee's interests granted hereunder and Permitted Liens (as defined in the Loan Agreement);

(d) when this Security Agreement is filed in the United States Patent and Trademark Office (the "Trademark Office") and the Pledgee has taken the other actions contemplated in this Security Agreement and by the Loan Documents, including without limitation the filing of appropriate financing statements on Form UCC-1 and Form UCC-3 in the appropriate filing offices, as contemplated by the Loan Agreement, this Security Agreement will create, as permitted under applicable law, a legal and valid perfected and continuing lien on and security interest in the Collateral in favor of Pledgee, enforceable against Pledgor and all third parties, subject to no other mortgage, lien, charge, encumbrance, or security or other interest; and

(e) notwithstanding that the title of the Original Security Agreement is "Collateral Assignment of Trademarks," the Original Security Agreement has always been, and this Security Agreement is, a security agreement creating a security interest in the collateral described therein and herein, respectively.

3. Covenants. Pledgor will maintain the Collateral, defend the Collateral against the claims of all persons, and will maintain and renew all registrations of the Collateral; provided, however, that Pledgor will not be required to maintain any Collateral which no longer has any economic value or as otherwise permitted under the Loan Agreement. If, before the Obligations have been satisfied in full and the Loan Documents have been terminated, Pledgor shall obtain rights to or be licensed to use any new trademark, or become entitled to the benefit of any trademark application or trademark registration, the provisions of Section 1 hereof shall automatically apply thereto and Pledgor shall give Pledgee prompt notice thereof in writing.

4. Use Prior to Default. Effective until Pledgee's exercise of its rights and remedies upon an Event of Default under and as defined in the Loan Documents (an "Event of Default"), Pledgor shall be entitled to use the Collateral in the ordinary course of its business, subject to the terms and covenants of the Loan Documents and this Security Agreement.

5. Remedies Upon Default. Whenever any Event of Default shall occur and be continuing, Pledgee shall have all the rights and remedies granted to it in such event by the Loan Documents, which rights and remedies are specifically incorporated herein by reference and made a part hereof, and any and all rights and remedies of law available to Pledgee or any Lender or Bank Product Provider. Pledgee in such event may collect directly any payments due to Pledgor in respect of the Collateral and may sell, license, lease, assign, or otherwise dispose of the Collateral in the manner set forth in the Loan Documents. Pledgor agrees that, in the event of any disposition of the Collateral upon and during the continuance of any such Event of Default, it will duly execute, acknowledge, and deliver all documents necessary or advisable to record title to the Collateral in any transferee or transferees thereof, including, without limitation, valid, recordable assignments of the Trademarks or Future Trademarks. In the event Pledgor fails or refuses to execute and deliver such documents, Pledgor hereby irrevocably appoints Pledgee as its attorney-in-fact, with power of substitution, to execute, deliver, and record any such documents on Pledgor's behalf. Notwithstanding any provision hereof to the contrary, during the continuance of an Event of Default, Pledgor may sell any merchandise or services bearing the

Trademarks and Future Trademarks in the ordinary course of its business and in a manner consistent with its past practices, until it receives written notice from Pledgee to the contrary. The preceding sentence shall not limit any right or remedy granted to Pledgee with respect to Pledgor's inventory under the Loan Documents or any other agreement now or hereinafter in effect.

6. Cumulative Remedies. The rights and remedies provided herein are cumulative and not exclusive of any other rights or remedies provided by law. The rights and remedies provided herein are intended to be in addition to and not in substitution of the rights and remedies provided by the Loan Documents or any other agreement or instrument delivered in connection therewith.

7. Amendments and Waivers. This Security Agreement may not be modified, supplemented, or amended, or any of its provisions waived except in writing signed by Pledgor and Pledgee. On the first Business Day of each fiscal quarter following the Closing Date, Pledgor hereby authorizes Pledgee to modify this Security Agreement by amending Exhibit A hereto to include any Future Trademarks.

8. Waiver of Rights. No course of dealing between the parties to this Security Agreement or any failure or delay on the part of any such party in exercising any rights or remedies hereunder shall operate as a waiver of any rights or remedies of such party or any other party, and no single or partial exercise of any rights or remedies by one party hereunder shall operate as a waiver or preclude the exercise of any other rights and remedies of such party or any other party. No waiver by Pledgee or any Lender or Bank Product Provider of any breach or default by Pledgor shall be deemed a waiver of any other previous breach or default or of any breach or default occurring thereafter.

9. Assignment. The provisions of this Security Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto and shall inure to the benefit of the Lenders and their respective successors and assigns; provided, however, that no interest herein may be assigned by Pledgor without the prior written consent of Pledgee; and, provided further, that Pledgee may assign the rights and benefits hereof as permitted by the Loan Agreement.

10. Future Acts. Until all of the Obligations shall have been paid in full in cash and the Commitments shall have been terminated, Pledgor authorizes Pledgee to execute any such Additional Documents in Pledgor's name and authorizes Pledgee to file such executed Additional Documents in any appropriate filing office. In addition, on such periodic basis as Pledgee shall reasonably require, Pledgor shall (i) provide Pledgee with a report of all new trademarkable materials acquired or generated by Pledgor during the prior period, (ii) apply to register all new trademarkable materials acquired or generated by Pledgor, and (iii) on the first Business Day of each fiscal quarter following the Closing Date, cause to be prepared, executed, and delivered to Pledgee supplemental schedules to this Security Agreement to identify such trademarks as being subject to the security interests created hereunder.

11. Enforcement. Upon an Event of Default which is continuing, Pledgee shall have the right but shall in no way be obligated to bring suit in its own name (for the benefit of the



Lender Group and the Bank Product Providers) to enforce the Trademarks and Future Trademarks and any license thereunder, in which event Pledgor shall at the request of Pledgee do any and all lawful acts and execute any and all proper documents required by Pledgee in aid of such enforcement and Pledgor shall promptly, upon demand, reimburse and indemnify Pledgee, each Lender and each Bank Product Provider and their respective agents for all reasonable costs and expenses incurred by such person in the exercise of its rights under this Section 11.

12. Release. At such time as Pledgor shall completely satisfy all of the Obligations and the Commitments shall have been terminated, Pledgee will execute and deliver to Pledgor such releases or other instruments as may be necessary or desirable to release Pledgor's lien in the Collateral, subject to any dispositions thereof which may have been made by Pledgee pursuant hereto.

13. Severability. If any clause or provision of this Security Agreement shall be held invalid or unenforceable, in whole or in part, in any jurisdiction, such invalidity or unenforceability shall attach only to such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such or any other clause or provision in any other jurisdiction.

14. Notices. All notices, requests and demands to or upon Pledgor or Pledgee under this Security Agreement shall be given in the manner prescribed by the Loan Documents.

15. Governing Law. This Security Agreement shall be governed by and construed, applied, and enforced in accordance with the federal laws of the United States of America applicable to trademarks and the laws of the State of New York, except that no doctrine of choice of law shall be used to apply the laws of any other State or jurisdiction. The parties agree that all actions or proceedings arising in connection with this Security Agreement shall be tried and litigated only in the State and federal courts located in the Borough of Manhattan, City of New York, State of New York. PLEDGOR AND PLEDGEE EACH WAIVES THE RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION ARISING UNDER THIS SECURITY AGREEMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND ANY RIGHT EITHER MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS, LACK OF PERSONAL JURISDICTION, OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 15.

16. Counterparts, etc. This Security Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Security Agreement by telefacsimile shall have the same force and effect as the delivery of an original executed counterpart of this Security Agreement. Any party delivering an executed counterpart of this Security Agreement by telefacsimile shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Security Agreement.

17. Supplement. This Security Agreement is a supplement to, and is hereby incorporated into, the Loan Documents and made a part thereof.

18. Amendment and Restatement. The Original Security Agreement is hereby amended and restated in its entirety to read as set forth in this Security Agreement, and this Security Agreement continues the security interest created under the Original Security Agreement with respect to all of Pledgor's right, title and interest in the Collateral. The execution of this Security Agreement shall not operate as a waiver of any right, power or remedy of Agent or any Lender nor constitute a waiver of any provision of the Loan Documents or a novation of any of the Obligations.

IN WITNESS WHEREOF, the parties have entered into this Security Agreement as of the date first above written.

PLEDGOR

**COREL INC.**

By: 

Title: Authorized Signatory


S-1

Amended and Restated Trademark Security Agreement – Corel Subsidiary

**TRADEMARK**  
**REEL: 003010 FRAME: 0790**

PLEDGEE

**WELLS FARGO FOOTHILL, INC.,**  
as Agent

By: \_\_\_\_\_  
Title:  VP

# EXHIBIT A

## List of Trademarks

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