



03-04-2002

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings



102001392

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):

Lumeta Corporation

Z-26-02

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

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

3. Nature of conveyance:

- Assignment, Merger, Security Agreement, Change of Name, Other

Execution Date: February 13, 2002

2. Name and address of receiving party(ies)

Name: Draper Fisher Jurvetson Gotham Venture Fund, L.P.

Internal

Address:

Street Address: 132 West 31st St., Suite 1102

City: New York State: NY Zip: 10001

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

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

A. Trademark Application No.(s) 78016080

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

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

Name: Mark Hartwell

Internal Address:

Brobeck, Phleger & Harrison LLP

03/01/2002 TBIAZI 00000160 78016080

01 FC=481 40.00 DP

Street Address: One Market, Spear Street Tower

City: San Francisco State: CA Zip: 94105

6. Total number of applications and registrations involved:

1

7. Total fee (37 CFR 3.41) \$ 40.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Mark Hartwell

Name of Person Signing

Signature

2/22/02

Date

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

22

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

TRADEMARK REEL: 002452 FRAME: 0581

Item No. 2: Additional Receiving Parties

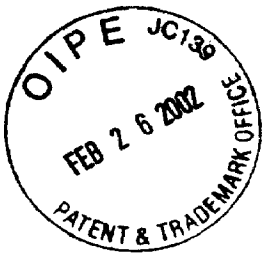
Draper Fisher Jurvetson Gotham Venture Investments, L.L.C.  
132 West 31<sup>st</sup> St., Suite 1102  
New York, NY 10001

Draper Fisher Jurvetson Fund VII, L.P.  
400 Seaport Ct. Suite 250  
Redwood City, CA 94063

Drapers Fisher Jurvetson Partners VII, L.L.C.  
400 Seaport Ct. Suite 250  
Redwood City, CA 94063

meVC Draper Fisher Jurvetson Fund I Inc.  
400 Seaport Ct. Suite 105  
Redwood City, CA 94063

NV Partners II LP  
535 Mountain Avenue  
New Providence, NJ 07974



SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement"), dated as of February 13, 2002, is made among Lumeta Corporation, a Delaware corporation ("Debtor"), and the parties listed under the caption "Secured Parties" on the signature pages hereto (each a "Secured Party" and, collectively, the "Secured Parties").

Debtor and Secured Parties hereby agree as follows:

Section 1. Definitions; Interpretation.

(a) All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Notes (as defined below).

(b) As used in this Agreement, the following terms shall have the following meanings:

"Collateral" has the meaning set forth in Section 2.

"Collateral Agent" has the meaning set forth in Section 2(d).

"Documents" means this Agreement, the Notes and the Securities Account Control Agreement dated as of the date hereof by and among Debtor, the Secured Parties and First Union National Bank.

"Event of Default" has the meaning set forth in Section 8.

"Lien" means any mortgage, deed of trust, pledge, security interest, assignment, deposit arrangement, charge or encumbrance, lien, or other type of preferential arrangement.

"Majority Secured Parties" means the holders of a majority of the aggregate principal amount of the Notes then outstanding.

"Notes" means the Senior Secured Promissory Notes made by Debtor in favor of Secured Parties, as amended, modified, renewed, extended or replaced from time to time.

"Obligations" means the indebtedness, liabilities and other obligations of Debtor to Secured Parties under or in connection with this Agreement, the Notes and the other Documents, including, without limitation, all unpaid principal of the Notes, all interest accrued thereon, all fees and all other amounts payable by Debtor to Secured Parties thereunder or in connection therewith, whether now existing or hereafter arising, and whether due or to become due, absolute or contingent, liquidated or unliquidated, determined or undetermined.

"Permitted Lien" means (i) any Lien in favor of Secured Parties; (ii) any Lien that is subordinate to the Lien on the Collateral created by this Agreement; (iii) Liens (A) upon or in any property acquired or held by Debtor or any of its subsidiaries to secure the purchase price of

such property or indebtedness incurred solely for the purpose of financing the acquisition of such property, or (B) existing on such property at the time of its acquisition, provided that the Lien is confined solely to the property so acquired and improvements thereon; (iv) Liens on assets of Persons which become subsidiaries of Debtor after the date hereof, provided that such Liens existed at the time the respective Persons became subsidiaries of Debtor and were not created in anticipation thereof; or (v) other Liens which arise in the ordinary course of business and do not materially impair Debtor's ownership or use of the Collateral or the value thereof.

"Person" means an individual, corporation, partnership, joint venture, trust, unincorporated organization, governmental agency or authority, or any other entity of whatever nature.

"UCC" means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York.

(c) Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(d) In this Agreement, (i) the meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined; and (ii) the captions and headings are for convenience of reference only and shall not affect the construction of this Agreement.

## Section 2. Security Interest.

(a) As security for the payment and performance of the Obligations, Debtor hereby grants to Secured Parties a security interest in all of Debtor's right, title and interest in, to and under all of its personal property, wherever located and whether now existing or owned or hereafter acquired or arising, including all accounts, chattel paper, commercial tort claims, deposit accounts, documents, equipment (including all fixtures), general intangibles, instruments, inventory, investment property, letter-of-credit rights, money and all products, proceeds and supporting obligations of any and all of the foregoing (collectively, the "Collateral"). Notwithstanding the foregoing, except for fixtures (to the extent covered by Article 9 of the UCC), such grant of a security interest shall not extend to, and the term "Collateral" shall not include, any asset which would be real property under the law of the jurisdiction in which it is located.

(b) Anything herein to the contrary notwithstanding, (i) Debtor shall remain liable under any contracts, agreements and other 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 Agreement had not been executed, (ii) the exercise by Secured Parties or any Collateral Agent of any of the rights hereunder shall not release Debtor from any of its duties or obligations under such contracts, agreements and other documents included in the Collateral, and (iii) neither the Secured Parties nor any Collateral Agent shall have any obligation or liability under any contracts, agreements and other documents included in the Collateral by reason of this Agreement, nor shall Secured Parties or any Collateral Agent be obligated to perform any of the

obligations or duties of Debtor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Collateral hereunder.

(c) This Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 18 hereof.

(d) The Majority Secured Parties may appoint a Secured Party, or an affiliate of a Secured Party, who has proposed itself available for consideration therefor or consented thereto upon nomination by any other Secured Party, to perform the duties and obligations set forth in subsection (e) below (the "Collateral Agent") at any time, and whether before, during or after the occurrence of an Event of Default. Following the appointment of the Collateral Agent, and agreement upon any fees and other arrangements required by it, including any indemnification agreement it may require, by the Majority Secured Parties, the Collateral Agent's duties and obligations shall commence upon the date specified in the notice of acceptance to be submitted by the Collateral Agent to Debtor after appointment. Each Secured Party hereby authorizes the Collateral Agent to take such action as agent on its behalf and to exercise such powers and perform such duties under this Agreement and the other Documents as are delegated to the Collateral Agent by the terms thereof, together with such powers as are reasonably incidental thereto. The duties and obligations of the Collateral Agent are strictly limited to those expressly provided for herein, and any additional duties and obligations expressly agreed upon by the Collateral Agent and the Majority Secured Parties, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Collateral Agent. Nothing in this Agreement shall, or shall be construed to, constitute the Collateral Agent a trustee or fiduciary for any Secured Party. In performing its functions and duties hereunder, the Collateral Agent shall act solely as the agent of the Secured Parties and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for the Debtor. Notwithstanding anything to the contrary contained herein, Collateral Agent shall not be required to take any action which is contrary to this Agreement or applicable law.

(e) The duties and obligations of the Collateral Agent hereunder shall consist of (i) exercising or refraining from exercising any rights, remedies or powers of the Secured Parties under the Documents or under applicable law in respect of the Notes or all or any portion of any Collateral, (ii) selling, releasing, surrendering, realizing upon or otherwise dealing with, in any manner and in any order, all or any portion of any Collateral upon the occurrence and during the continuance of an Event of Default, (iii) making any demands or giving any notices under the Documents, (iv) effecting amendments to and granting waivers under the Documents, (v) distributing payments to the Secured Parties of amounts paid to it by the Debtor under any Documents or received by it in connection with the Collateral, (vi) holding on behalf of the Secured Parties any instruments or other possessory Collateral, and (vii) engaging and replacing (in consultation with the Secured Parties and with the prior approval of the Majority Secured Parties), instructing and remunerating on behalf of the Secured Parties all consultants, experts and other Persons to be engaged by the Secured Parties, including legal counsel for the Secured Parties, in each case in accordance with the instructions of the Majority Secured Parties.

(f) Neither Collateral Agent nor any of its directors, officers, employees or agents shall be responsible to any Secured Party for any action taken or omitted to be taken by it

or them hereunder or in connection herewith, except for its or their own gross negligence or wilful misconduct. The Collateral Agent shall use the level of care it uses with respect to its own property of a similar nature to assure the safe custody of Collateral in its possession. Beyond the exercise of such level of care to assure the safe custody of Collateral in its possession as the Collateral Agent, and the accounting for any monies actually received by the Collateral Agent in such capacity, the Collateral Agent shall have no duty to exercise or preserve any rights, privileges and powers pertaining to the Pledged Collateral.

(g) Each Secured Party's interest in the Collateral shall be on a parity with the interests of all other Secured Parties, and the interest of each Secured Party in the Collateral shall be ratable in the proportion that the aggregate indebtedness then outstanding and unpaid under the Notes held by such Secured Party bears to the aggregate indebtedness then outstanding and unpaid under the Notes held by all Secured Parties (except to the extent the Secured Parties agree to any other ratable interest therein). Any Secured Party holding any instruments, certificated investment property or other Collateral hereunder shall do so as agent for and for the ratable benefit of all Secured Parties.

Section 3. Financing Statements, Etc. Debtor shall execute and deliver to Secured Parties or any Collateral Agent concurrently with the execution of this Agreement, and Debtor hereby authorizes Secured Parties or any Collateral Agent to file (with or without Debtor's signature), at any time and from time to time thereafter, all financing statements, assignments, continuation financing statements, termination statements, account control agreements, and other documents and instruments, in form reasonably satisfactory to Majority Secured Parties or any Collateral Agent, and take all other action, as any Secured Parties or Collateral Agent may reasonably request, to perfect and continue perfected, maintain the priority of or provide notice of the security interest of Secured Parties in the Collateral and to accomplish the purposes of this Agreement. Without limiting the generality of the foregoing, Debtor ratifies and authorizes the filing by Secured Parties or Collateral Agent of any financing statements filed in accordance with the terms hereof prior to the date hereof. Debtor will cooperate with Secured Parties and any Collateral Agent in obtaining control (as defined in the UCC) of Collateral consisting of deposit accounts, investment property, letter-of-credit rights and electronic chattel paper. Debtor will join with Secured Parties and any Collateral Agent in notifying any third party who has possession of any Collateral of Secured Parties' security interest therein and obtaining an acknowledgment from the third party that is holding the Collateral for the benefit of Secured Parties. Debtor will not create any chattel paper without placing a legend on the chattel paper acceptable to Secured Parties indicating that Secured Parties have a security interest in the chattel paper.

Section 4. Representations and Warranties. Debtor represents and warrants to Secured Parties that:

(a) Debtor is duly organized, validly existing and in good standing under the law of the jurisdiction of its organization and has all requisite power and authority to execute, deliver and perform its obligations under this Agreement.

(b) The execution, delivery and performance by Debtor of this Agreement have been duly authorized by all necessary action of Debtor, and this Agreement constitutes the

legal, valid and binding obligation of Debtor, enforceable against Debtor in accordance with its terms.

(c) No authorization, consent, approval, license, exemption of, or filing or registration with, any governmental authority or agency, or approval or consent of any other Person, is required for the due execution, delivery or performance by Debtor of this Agreement, except for any filings necessary to perfect any Liens on any Collateral.

(d) Debtor's chief executive office and principal place of business (as of the date of this Agreement) is located at the address set forth in Schedule 1; Debtor's jurisdiction of organization is set forth in Schedule 1; Debtor's exact legal name is as set forth in the first paragraph of this Agreement; and all other locations where Debtor conducts business or Collateral is kept (as of the date of this Agreement) are set forth in Schedule 1.

(e) Debtor has rights in or the power to transfer the Collateral, and Debtor is the sole and complete owner of the Collateral, free from any Lien other than Permitted Liens.

(f) All of Debtor's United States and foreign patents and patent applications, copyrights (whether or not registered), applications for copyright, trademarks, service marks and trade names (whether registered or unregistered), and applications for registration of such trademarks, service marks and trade names, are set forth in Schedule 2.

(g) Debtor is not and will not become a lessee under any real property lease or other agreement governing the location of Collateral at the premises of another Person pursuant to which the lessor or such other Person may obtain any rights in any of the Collateral, and no such lease or other such agreement now prohibits, restrains, impairs or will prohibit, restrain or impair such Debtor's right to remove any Collateral from the premises at which such Collateral is situated, except for the usual and customary restrictions contained in such leases of real property.

(h) No control agreements exist with respect to any Collateral other than control agreements in favor of Secured Parties.

(i) Debtor does not have or hold any chattel paper, letter-of-credit rights or commercial tort claims except as disclosed to Secured Parties.

(j) The names and addresses of all financial institutions and other Persons at which Debtor maintains its deposit and securities accounts, and the account numbers and account names of such accounts, are set forth in Schedule 1.

Section 5. Covenants. So long as any of the Obligations remain unsatisfied, Debtor agrees that:

(a) Debtor shall appear in and defend any action, suit or proceeding which may affect to a material extent its title to, or right or interest in, any Collateral Agent's or Secured Parties' right or interest in, the Collateral, and shall do and perform all reasonable acts that may be necessary and appropriate to maintain, preserve and protect the Collateral.

(b) Debtor shall comply in all material respects with all laws, regulations and ordinances, and all policies of insurance, relating in a material way to the possession, operation, maintenance and control of the Collateral.

(c) Debtor shall give prompt written notice to Secured Parties (and in any event not later than thirty (30) days following any change described below in this subsection) of: (i) any change in the location of Debtor's chief executive office or principal place of business; (ii) any change in the locations set forth in Schedule 1; (iii) any change in its name; (iv) any changes in its identity or structure in any manner which might make any financing statement filed hereunder incorrect or misleading; and (v) any change in its jurisdiction of organization; provided that Debtor shall not locate any Collateral outside of the United States nor shall Debtor change its jurisdiction of organization to a jurisdiction outside of the United States.

(d) Debtor shall carry and maintain in full force and effect, at its own expense and with financially sound and reputable insurance companies, insurance with respect to the Collateral in such amounts, with such deductibles and covering such risks as is customarily carried by companies engaged in the same or similar businesses and owning similar properties in the localities where Debtor operates. Insurance on the Collateral shall name the Secured Parties as additional insured and as loss payee. Upon the request of Secured Parties or any Collateral Agent, Debtor shall furnish Secured Parties or any Collateral Agent from time to time with full information as to the insurance carried by it and, if so requested, copies of all such insurance policies. Debtor shall also furnish to Secured Parties from time to time upon the request of Secured Parties or any Collateral Agent a certificate of Debtor's insurance broker or other insurance specialist stating that all premiums then due on the policies relating to insurance on the Collateral have been paid and that such policies are in full force and effect. All insurance policies required under this subsection (d) shall provide that they shall not be terminated or cancelled nor shall any such policy be materially changed without at least 30 days' prior written notice to Debtor and Secured Parties or any Collateral Agent. Receipt of notice of termination or cancellation of any such insurance policies or reduction of coverages or amounts thereunder shall entitle Secured Parties or any Collateral Agent to renew any such policies, cause the coverages and amounts thereof to be maintained at levels required pursuant to the first sentence of this subsection (d) or otherwise to obtain similar insurance in place of such policies, in each case at the expense of Debtor.

(e) All insurance policies shall provide that any losses payable thereunder be payable directly to Secured Parties or any Collateral Agent unless written authority to the contrary is obtained. In the event that Debtor shall receive any proceeds of any insurance (other than in respect of third party liability insurance) it shall immediately cause such proceeds to be paid over to Secured Parties or any Collateral Agent. If the Collateral shall be materially damaged or destroyed, in whole or in part, by fire or other casualty, Debtor shall give prompt notice thereof to Secured Parties or any Collateral Agent. Additionally, Debtor shall in any event promptly give Secured Parties or any Collateral Agent notice of all reports made to insurance companies in respect of any claim in excess of \$10,000. No settlement on account of any material loss covered by insurance shall be made for less than insured value without the consent of Majority Secured Parties. In their sole discretion Secured Parties shall (a) apply all or any portion of such insurance proceeds to the payment of Obligations or (b) release all or any portion thereof to Debtor to the extent not applied to payment of obligations.



(f) Debtor shall not surrender or lose possession of (other than to any Collateral Agent or any of the Secured Parties), sell, lease, rent, or otherwise dispose of or transfer any of the Collateral or any right or interest therein, except in the ordinary course of business or unless such Collateral is replaced by comparable Collateral of similar value; provided that no such disposition or transfer of Collateral consisting of investment property or instruments shall be permitted while any Event of Default exists.

(g) Debtor shall keep the Collateral free of all Liens except Permitted Liens.

(h) Debtor shall pay and discharge all taxes, fees, assessments and governmental charges or levies imposed upon it with respect to the Collateral prior to the date on which penalties attach thereto, except to the extent such taxes, fees, assessments or governmental charges or levies are being contested in good faith by appropriate proceedings.

(i) Upon the request of any Secured Party or any Collateral Agent, Debtor shall (i) immediately deliver to such Secured Party or Collateral Agent, or their designated agent, appropriately endorsed or accompanied by appropriate instruments of transfer or assignment, all documents and instruments, all certificated securities with respect to any investment property, all letters of credit and all accounts and other rights to payment at any time evidenced by promissory notes, trade acceptances or other instruments, (ii) cause any securities intermediaries to show on their books that Secured Parties are the entitlement holder with respect to any investment property, and/or obtain account control agreements in favor of Secured Parties from such securities intermediaries, in form and substance satisfactory to such Secured Party or the Collateral Agent, as the case may be, with respect to any investment property, and (iii) provide such notice, obtain such acknowledgments and take all such other action, with respect to any chattel paper, documents and letter-of credit rights, as such Secured Party or Collateral Agent, as the case may be, shall reasonably specify.

(j) If and when Debtor shall obtain rights to any new patents, trademarks, service marks, trade names or copyrights, or otherwise acquire or become entitled to the benefit of, or apply for registration of, any of the foregoing, Debtor (i) shall promptly notify Secured Parties or any Collateral Agent, as the case may be, thereof and (ii) hereby authorizes Secured Parties or any Collateral Agent, as the case may be, to modify, amend, or supplement Schedule 2 and from time to time to include any of the foregoing and make all necessary or appropriate filings with respect thereto.

(k) At the request of any Secured Party or any Collateral Agent, Debtor will obtain from each Person from whom Debtor leases any premises at which any Collateral is at any time present such collateral access, subordination, waiver, consent and estoppel agreements as such Secured Party or such Collateral Agent may require, in form and substance satisfactory to such Secured Party or such Collateral Agent.

(l) Debtor shall give Secured Parties or any Collateral Agent, as the case may be, immediate notice of the acquisition of any instruments or securities, or the establishment of any new deposit account or any new securities account with respect to any investment property.

(m) Debtor shall immediately notify Secured Parties or any Collateral Agent if Debtor holds or acquires (i) any commercial tort claims, (ii) any chattel paper, including any interest in any electronic chattel paper, or (iii) any letter-of-credit rights.

Section 6. Collection of Accounts. Until Secured Parties exercise their rights hereunder to collect the accounts and other rights to payment, Debtor shall endeavor in the first instance diligently to collect all amounts due or to become due on or with respect to the accounts and other rights to payment. At the request of Secured Parties or any Collateral Agent, upon the occurrence and during the continuance of any Event of Default, all remittances received by Debtor shall be held in trust for Secured Parties and, in accordance with Secured Parties' or any Collateral Agent's instructions, remitted to Secured Parties or any Collateral Agent or deposited to an account of Secured Parties in the form received (with any necessary endorsements or instruments of assignment or transfer). At the request of Secured Parties or any Collateral Agent, upon and after the occurrence of any Event of Default, Secured Parties shall be entitled to receive all distributions and payments of any nature with respect to any investment property or instruments, and all such distributions or payments received by the Debtor shall be held in trust for Secured Parties and, in accordance with Secured Parties' or any Collateral Agent's instructions, remitted to Secured Parties or any Collateral Agent or deposited to an account of Secured Parties in the form received (with any necessary endorsements or instruments of assignment or transfer). Following the occurrence of an Event of Default any such distributions and payments with respect to any investment property held in any securities account shall be held and retained in such securities account, in each case as part of the Collateral hereunder. Additionally, Secured Parties or any Collateral Agent shall have the right, upon the occurrence and during the continuance of an Event of Default, following prior written notice to the Debtor, to vote and to give consents, ratifications and waivers with respect to any investment property and instruments, and to exercise all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining thereto, as if Secured Parties or the Collateral Agent were the absolute owner thereof; provided that Secured Parties and any Collateral Agent shall have not have any duty to exercise any of the foregoing rights afforded to them and shall not be responsible to the Debtor or any other Person for any failure to do so or delay in doing so.

Section 7. Authorization; Collateral Agent Appointed Attorney-in-Fact. Any Collateral Agent shall have the right to, in the name of Debtor, or in the name of Secured Parties or Collateral Agent or otherwise, upon notice to but without the requirement of assent by Debtor, and Debtor hereby constitutes and appoints Collateral Agent (and any of Collateral Agent's officers, employees or agents designated by Collateral Agent) as Debtor's true and lawful attorney-in-fact, with full power and authority to: (i) sign and file any of the financing statements and other documents and instruments which must be executed or filed to perfect or continue perfected, maintain the priority of or provide notice of Secured Parties' security interest in the Collateral (including any notices to or agreements with any securities intermediary); (ii) assert, adjust, sue for, compromise or release any claims under any policies of insurance; (iii) give notices of control, default or exclusivity (or similar notices) under any account control agreement or similar agreement with respect to exercising control over deposit accounts or securities accounts; and (iv) execute any and all such other documents and instruments, and do any and all acts and things for and on behalf of Debtor, which Collateral Agent may deem reasonably necessary or advisable to maintain, protect, realize upon and preserve the Collateral and Secured Parties' security interest therein and to accomplish the purposes of this Agreement. Collateral

Agent agrees that, except upon and during the continuance of an Event of Default, it shall not exercise the power of attorney, or any rights granted to Collateral Agent, pursuant to clauses (ii), (iii) and (iv). The foregoing power of attorney is coupled with an interest and irrevocable so long as the Obligations have not been paid and performed in full. In the event that a Collateral Agent is not appointed, each Secured Party, acting upon the direction of the Majority Secured Parties, is hereby authorized to act as attorney-in-fact as contemplated by this Section 7. Debtor hereby ratifies, to the extent permitted by law, all that Collateral Agent or any such Secured Party shall lawfully and in good faith do or cause to be done by virtue of and in compliance with this Section 7.

Section 8. Events of Default. "Event of Default" shall be defined as in the Notes.

Section 9. Remedies.

(a) Upon the occurrence and continuance of any Event of Default, each Secured Party may declare any of the Obligations owing to it to be immediately due and payable and shall have, in addition to all other rights and remedies granted to it in this Agreement, the Notes or any other Document, all rights and remedies of a secured party under the UCC and other applicable laws. Without limiting the generality of the foregoing, (i) Secured Parties or any Collateral Agent as directed by Majority Secured Parties may peaceably enter any premises of Debtor, take possession of any the Collateral, remove or dispose of all or part of the Collateral on any premises of such Debtor or elsewhere, or, in the case of equipment, render it nonfunctional, and otherwise collect, receive, appropriate and realize upon all or any part of the Collateral, and demand, give receipt for, settle, renew, extend, exchange, compromise, adjust, or sue for all or any part of the Collateral, as Secured Parties may determine; (ii) Secured Parties or any Collateral Agent as directed by Majority Secured Parties may require any Debtor to assemble all or any part of the Collateral and make it available to Secured Parties at any place and time designated by Secured Parties; (iii) Secured Parties or any Collateral Agent as directed by Majority Secured Parties may secure the appointment of a receiver of the Collateral or any part thereof (to the extent and in the manner provided by applicable law); and (iv) Secured Parties or any Collateral Agent, in each case as directed by Majority Secured Parties, may sell, resell, lease, use, assign, license, sublicense, transfer or otherwise dispose of any or all of the Collateral in its then condition or following any commercially reasonable preparation or processing (utilizing in connection therewith any of Debtor's assets, without charge or liability to Secured Parties therefor) at public or private sale, by one or more contracts, in one or more parcels, at the same or different times, for cash or credit, or for future delivery without assumption of any credit risk, all as Majority Secured Parties deem advisable; provided, however, that Debtor shall be credited with the net proceeds of sale only when such proceeds are finally collected by Secured Parties. Secured Parties or any Collateral Agent shall have the right upon any such public sale, and, to the extent permitted by law, upon any such private sale, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption, which right or equity of redemption Debtor hereby releases, to the extent permitted by law. Any Secured Party or any Collateral Agent shall give Debtor such notice of any private or public sales as may be required by the UCC or other applicable law.

(b) For the purpose of enabling Secured Parties to exercise their rights and remedies under this Section 9 or otherwise in connection with this Agreement, effective upon the occurrence and continuance of an Event of Default, Debtor hereby grants to Secured Parties and Collateral Agent, if any, an irrevocable, non-exclusive and assignable license (exercisable without payment or royalty or other compensation to Debtor) to use, license or sublicense any intellectual property Collateral in accordance with Debtor's current, reasonable quality control standards as provided in writing from time to time to Collateral Agent by Debtor. Debtor's quality control standards as of the date hereof are exemplified by the use of Debtor's trademark on its website located at [www.lumeta.com](http://www.lumeta.com).

(c) Neither Collateral Agent nor any Secured Party shall have any obligation to clean up or otherwise prepare the Collateral for sale. Neither Collateral Agent nor any Secured Party shall have any obligation to attempt to satisfy the Obligations by collecting them from any other Person liable for them, and Collateral Agent and Secured Parties may release, modify or waive any Collateral provided by any other Person to secure any of the Obligations, all without affecting Collateral Agent's or any Secured Party's rights against Debtor. Debtor waives any right it may have to require Collateral Agent or any Secured Party to pursue any third Person for any of the Obligations. Collateral Agent and Secured Parties may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. Collateral Agent and Secured Parties may sell the Collateral without giving any warranties as to the Collateral. Collateral Agent and Secured Parties may specifically disclaim any warranties of title or the like. This procedure will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. If Secured Parties sell any of the Collateral upon credit, Debtor will be credited only with payments actually made by the purchaser, received by Collateral Agent and Secured Parties and applied to the indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, Collateral Agent or Secured Parties may resell the Collateral, and Debtor shall be credited with the proceeds of the sale.

(d) To the extent Debtor uses the proceeds of any of the Obligations to purchase Collateral, Debtor's repayment of the Obligations shall apply on a "first-in, first-out" basis so that the portion of the Obligations used to purchase a particular item of Collateral shall be paid in the chronological order the Debtor purchased the Collateral.

(e) The cash proceeds actually received from the sale or other disposition or collection of Collateral, and any other amounts received in respect of the Collateral the application of which is not otherwise provided for herein, shall be applied first, to the payment of the reasonable costs and expenses of any Collateral Agent and Secured Parties in exercising or enforcing its rights hereunder and in collecting or attempting to collect any of the Collateral; and second, to the payment of the Obligations. Any surplus thereof which exists after payment and performance in full of the Obligations shall be promptly paid over to Debtor or otherwise disposed of in accordance with the UCC or other applicable law. Debtor shall remain liable to Secured Parties for any deficiency which exists after any sale or other disposition or collection of Collateral.

Section 10. Certain Waivers. Debtor waives, to the fullest extent permitted by law, (i) any right of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling of the Collateral or other collateral or security for the Obligations; (ii) any right to require any Collateral Agent or any Secured Party (A) to proceed against any Person, (B) to exhaust any other collateral or security for any of the Obligations, (C) to pursue any remedy in any Secured Party's or any Collateral Agent's power, or (D) to make or give any presentments, demands for performance, notices of nonperformance, protests, notices of protests or notices of dishonor in connection with any of the Collateral; and (iii) all claims, damages, and demands against any Secured Party or any Collateral Agent arising out of the repossession, retention, sale or application of the proceeds of any sale of the Collateral.

Section 11. Notices. All notices or other communications hereunder shall be in writing (including by facsimile transmission) and mailed, sent or delivered to the respective parties hereto at or to their respective addresses or facsimile numbers set forth below their names on the signature pages hereof, or at or to such other address or facsimile number as shall be designated by any party in a written notice to the other parties hereto. All such notices and other communications shall be deemed to be delivered when a record (within the meaning of the UCC) has been (i) delivered by hand; (ii) sent by mail upon the earlier of the date of receipt or five business days after deposit in the mail, first class (or air mail as to communications sent to or from the United States); (iii) sent by facsimile transmission (upon receipt of a transmission confirmation); or (iv) sent by reputable overnight courier service upon the next business day.

Section 12. No Waiver; Cumulative Remedies. No failure on the part of any Secured Party or any Collateral Agent to exercise, and no delay in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies under this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to such Secured Party or Collateral Agent.

Section 13. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor, any Secured Party, any Collateral Agent appointed hereunder and their respective successors and assigns and shall bind any Person who becomes bound as a debtor to this Agreement. Any Collateral Agent is expressly designated to be a third party beneficiary hereof. Debtor may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder without the prior express written consent of the Secured Parties. Any such purported assignment, transfer, hypothecation or other conveyance by Debtor without the prior express written consent of the Secured Parties shall be void. Debtor acknowledges and agrees that in connection with an assignment of, or grant of a participation in, the Obligations, Secured Parties may assign, or grant participations in, all or a portion of their rights and obligations hereunder. Upon any assignment of Secured Parties' rights hereunder, such assignee or assignees shall have, to the extent of such assignment, all rights of Secured Parties hereunder. Debtor agrees that, upon any such assignment, such assignee may enforce directly, without joinder of Secured Parties, the rights of Secured Parties set forth in this Agreement. Any such assignee shall be entitled to enforce Secured Parties' rights and remedies under this Agreement to the same extent as if it were an original secured party named herein.

Section 14. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York, except as required by mandatory provisions of law and to the extent the validity or perfection of the security interests hereunder, or the remedies hereunder, in respect of any Collateral are governed by the law of a jurisdiction other than New York.

Section 15. Entire Agreement; Amendment. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and no amendment to this Agreement, or any waiver of any provision hereof, shall be effective unless it is in writing and signed by the Majority Secured Parties and (in the case of any amendment) the Debtor; provided, however, that without the consent of all Secured Parties, no amendment, waiver or consent shall do any of the following: (i) subject the Secured Parties to any additional obligations; (ii) reduce any amount payable to the Secured Parties hereunder; (iii) postpone any date fixed for any payment in respect of any amount payable to any Secured Parties hereunder; (iv) change the definition of "Majority Secured Parties" or any definition or provision of this Agreement requiring the approval of the Secured Parties or some other specified amount of Secured Parties; or (v) amend the provisions of this Section 15; and provided, further, that no amendment, waiver or consent shall, unless in writing and signed by the Collateral Agent, affect the rights, duties or obligations of the Collateral Agent under or in respect of this Agreement.

Section 16. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under all applicable laws and regulations. If, however, any provision of this Agreement shall be prohibited by or invalid under any such law or regulation in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of this Agreement, or the validity or effectiveness of such provision in any other jurisdiction.

Section 17. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

Section 18. Termination. Upon payment and performance in full of all Obligations, the security interest created under this Agreement shall terminate and each Secured Party shall promptly execute and deliver to Debtor such documents and instruments reasonably requested by Debtor (including, without limitation, UCC termination statements on Form UCC-3) as shall be necessary to evidence termination of all security interests given by Debtor to such Secured Party hereunder.


Section 19. Joint and Several Liability. If Debtor consists of more than one Person, the liability of each Person comprising Debtor shall be joint and several, and each reference herein to "Debtor" shall mean and be a reference to each such Person comprising Debtor. The Debtors agree that any and all of their obligations hereunder shall be the joint and several responsibility of each of them notwithstanding any absence herein of a reference such as "jointly and severally" with respect to any such obligation. The compromise of any claim with,

or the release of, any Debtor shall not constitute a compromise with, or a release of, any other Debtor.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement,  
as of the date first above written.

**DEBTOR:**

**LUMETA CORPORATION**

By:   
Name: Tom B. Dent  
Title: President

Address: 220 Davidson Avenue, 4<sup>th</sup> FL  
Somerset, New Jersey 08873  
Attn: President  
Fax: (732) 564-0731

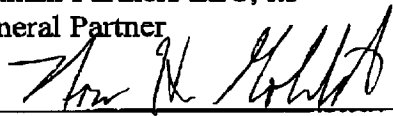
NYCUB11A22122743.08  
2/13/02



**SECURED PARTIES:**

**DRAPER FISHER JURVETSON  
GOTHAM VENTURE FUND, L.P.**

By: Draper Fisher Jurvetson  
Gotham Partners LLC, its  
General Partner

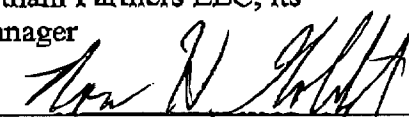
By: 

Name: Ross Goldstein  
Title: Managing Member

Address: 132 West B1 St., Suite 1102  
New York, NY 10001

**DRAPER FISHER JURVETSON  
GOTHAM VENTURE INVESTMENTS,  
L.L.C.**

By: Draper Fisher Jurvetson  
Gotham Partners LLC, its  
Manager

By: 

Name: Ross Goldstein  
Title: Managing Member

Address: 132 West B1 St., Suite 1102  
New York, NY 10001

DRAPER FISHER JURVETSON FUND,  
VII, L.P.

By: Draper Fisher Jurvetson Fund VII  
Partners, L.P., its General Partner

By: DFJ Fund VII, Ltd., its General Partner

By: John Fisher

Name: John Fisher

Titles: Managing Member

Address: 400 Seaport Ct., Ste. 250  
Redwood City, CA 94063

DRAPER FISHER JURVETSON  
PARTNERS VII, LLC

By: John Fisher

Name: John Fisher

Titles: Managing Member

Address: 400 Seaport Ct., Ste. 250  
Redwood City, CA 94063

meVC DRAPER FISHER JURVETSON  
FUND I INC

By: 

Name: Nino N. Marakovic

Title: Partner

Address: 400 Seaport Ct. St. 105  
Redwood City, CA 94063

**NV PARTNERS II LP**

**By: New Venture Partners LLC,  
its General Partner**

**By:**   
**Name: Thomas Uhlman**  
**Title: Managing Member**

SCHEDULE 1  
to the Security Agreement

1. Jurisdiction of Organization

Delaware

2. Chief Executive Office and Principal Place of Business

220 Davidson Avenue, 4<sup>th</sup> Fl.  
Somerset, New Jersey 08873

3. Other locations where Debtor conducts business or Collateral is kept

a) Debtor c/o Michael Briggs  
1632 Buttonwood Road  
Independence, Ohio 44131-2952

b) Debtor c/o James Conniff  
8103 Gray Stone Lane  
Pasadena, Maryland 21122

4. Deposit Accounts and Security Accounts

Accounts held at First Union National Bank  
PO Box 563966  
Charlotte, NC 28256-3966

Account: 2030000930708 (Money Market Account)

Account: 2030000930698 (Commercial Checking Account)

SCHEDULE 2  
to the Security Agreement

1. **Patents and Patent Applications.**

None.

2. **Copyrights (Registered and Unregistered) and Copyright Applications.**

None.

3. **Trademarks, Service Marks and Trade Names and Trademark, Service Mark and Trade Name Applications.**

LUMETA

S-2.