

FORM PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) RECORDATION FORM COVER SHEET TRADEMARKS ONLY U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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): POWERNETIX, INC.
Individual(s) [] Association []
General Partnership [] Limited Partnership []
[X] Corporation-State Delaware
[] Other
Additional name(s) of conveying party(ies) attached? [] Yes [X] No
3. Nature of conveyance:
[] Assignment [] Merger
[X] Security Agreement [] Change of Name
[] Other
Execution Date: July 18, 2003

2. Name and address of receiving party(ies)
Name: AZURE VENTURE PARTNERS I, L.P.
Internal
Address:
Street Address: 650 California Street, 11th Floor
City: San Francisco State: CA Zip: 94108
Individual(s) citizenship []
Association []
General Partnership []
[X] Limited Partnership Delaware
[] 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? [X] Yes [] No

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
78036678
Additional number(s) attached? [] Yes [X] No

B. Trademark Registration No.(s)
none
Additional number(s) attached? [] Yes [X] No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Nancy Bouch, Senior Paralegal
Internal Address: Wilson Sonsini Goodrich & Rosati, PC
1117-2-B
Street Address: 650 Page Mill Road
City: Palo Alto State: CA Zip: 94304

6. Total number of applications and registrations involved: 1
7. Total fee (37 CFR 3.41) \$ 40.00
[] Enclosed
[X] Authorized to be charged to deposit account
8. Deposit account number:
23-2415 (Ref.#25575.031)
(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.
Nancy Bouch
Name of Person Signing Signature Date 07/22/2003

Total number of pages including cover sheet, attachments, and document: 9
Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

CH \$40.00 232415 78036678

Page 2 to Recordation Coversheet

Receiving Party Name and Notice Address:

AZURE VENTURES I, L.P.
a Delaware Limited Partnership
650 California Street, 11th Floor
San Francisco, CA 94108

AZURE PARTNERS I, L.P.
a Delaware Limited Partnership
650 California Street, 11th Floor
San Francisco, CA 94108

AZURE I, L.P.
a Delaware Limited Partnership
650 California Street, 11th Floor
San Francisco, CA 94108

SIEMENS VENTURE CAPITAL GmbH
Thomas-Wimmer-Ring 3
80539 Munich, Germany

GRANT OF SECURITY INTEREST

TRADEMARKS

THIS GRANT OF SECURITY INTEREST, dated as of July 18, 2003, is executed by PowerNetix, Inc., a Delaware corporation ("Debtor"), in favor of the secured parties listed on Annex A hereto ("Secured Parties").

A. Pursuant to a Note and Warrant Purchase Agreement, dated as of July 18, 2003 (the "Purchase Agreement"), among Debtor and Secured Parties, and a Security Agreement, dated as of July 18, 2003 (the "Security Agreement"), executed by Debtor in favor of Secured Parties, Secured Parties have agreed to extend certain loans to Debtor upon the terms and subject to the conditions set forth therein.

B. Debtor has adopted, used and is using the trademarks, more particularly described on Schedules 1-A and 1-B annexed hereto as part hereof, which trademarks are registered or subject to an application for registration in the United States Patent and Trademark Office (collectively, the "Trademarks");

C. Schedules 1-A and 1-B hereof constitute a complete list, as of the date hereof, of registrations or applications for registrations of Trademarks in or to which Debtor has any right, title, interest, claim or demand. After the date of the Security Agreement, the terms and provisions of which are hereby incorporated herein as if fully set forth herein, Debtor shall provide written notice to Secured Parties, in accordance with the provisions of Section 6(c) of the Security Agreement, of any addition or change which is necessary to be made to Schedules 1-A and 1-B in order to maintain such schedules' completeness or accuracy, and, further, Debtor shall provide such notice to Secured Parties within a reasonable period of time following the date of the event that is the basis for such addition or change, but in no case later than ninety (90) days following the date of such event.

D. Debtor hereby grants to Secured Parties a security interest in all right, title and interest of Debtor in and to the Trademarks, together with the goodwill of the business symbolized by the Trademarks and the customer lists and records related to the Trademarks and the applications and registrations thereof, and all proceeds thereof, including any and all causes of action which may exist by reason of infringement thereof (the "Collateral"), to secure the payment, performance and observance of the Obligations, as defined in the Security Agreement;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Debtor does hereby further grant to Secured Parties a security interest in the Collateral to secure the prompt payment, performance and observance of the Obligations.

Debtor does hereby further acknowledge and affirm that the rights and remedies of Secured Parties with respect to the security interest in the Collateral granted hereby are more fully set forth in the Security Agreement.

Secured Parties' addresses are set forth on Annex A hereto.

IN WITNESS WHEREOF, Debtor has caused this instrument to be executed as of the day and year first above written.

POWERNETIX, INC.

By: *James Lewis*

Name: JAMES LEWIS

Title: CEO

ANNEX A

Secured Party Name and Notice Address:

AZURE VENTURE PARTNERS I, L.P.

Address:
Attn: Ray Carey
650 California Street, 11th Floor
San Francisco, CA 94108
Tel.: (415) 276-5540
Fax: (415) 276-5590

AZURE VENTURES I, L.P.

Address:
Attn: Ray Carey
650 California Street, 11th Floor
San Francisco, CA 94108
Tel.: (415) 276-5540
Fax: (415) 276-5590

AZURE PARTNERS I, L.P.

Address:
Attn: Ray Carey
650 California Street, 11th Floor
San Francisco, CA 94108
Tel.: (415) 276-5540
Fax: (415) 276-5590

AZURE I, L.P.

Address:
Attn: Ray Carey
650 California Street, 11th Floor
San Francisco, CA 94108
Tel.: (415) 276-5540
Fax: (415) 276-5590

SIEMENS VENTURE CAPITAL GmbH

Address:
Attn: Thomas Kolbinger
Thomas-Wimmer-Ring 3
80539 Munich, Germany
Telephone: +49 89 636 33585
Facsimile: +49 89 636 34884

SCHEDULE 1-A TO GRANT OF SECURITY INTEREST

TRADEMARKS

Mark

Registration Date

Registration No.

None.

SCHEDULE I-B TO GRANT OF SECURITY INTEREST

TRADEMARK APPLICATIONS

Mark

Application Date

Application/Serial No.

POWERNETIX

11/27/2000

78/036,678