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

FINANCE SECTION 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): Spirian Technologies, Inc. 4-2-03 455 North Cityfront Plaza Drive NBC Tower, 10th Fl., Chicago, Illinois 60611

2. Name and address of receiving party(ies) Name: Ravenswood Capital Venture Fund Internal Address: TT, LLP Street Address: 343 W. Erie Street, Suite 410 City: Chicago State: Illinois Zip: 60610

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

3. Nature of conveyance: Assignment Merger Security Agreement Change of Name Other

Individual(s) citizenship Association General Partnership 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? Yes No

Execution Date: April 1, 2003

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,556,048 2,445,833

2,445,814 2,556,047

Additional number(s) attached Yes No

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

Name: Joan h. hong

Internal Address: Mayer, Brown, Rowe & Maw

P.O. Box 2828

Street Address:

City: Chicago State: Illinois Zip: 60690-2828

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: N/A

(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.

Joan h. hong Name of Person Signing

Signature

4-2-03 Date

04/04/2003 6T0N11 00000046 2556048

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

01 FC:8521 02 FC:8522

40.00 DP 75.00 DP

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

TRADEMARK REEL: 002706 FRAME: 0068

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") dated as of April 1, 2003 is by and among Spirian Technologies, Inc., a Delaware corporation (the "Debtor"), Ravenswood Capital Venture Fund II, L.P., a Delaware limited partnership ("Ravenswood" and "Collateral Agent"), as a secured party and as Collateral Agent for the Secured Parties, and each of the other secured parties identified on the signature pages hereto (together with Ravenswood, the "Secured Party" or "Secured Parties").

### W I T N E S S E T H

WHEREAS, pursuant to that certain note purchase agreement, dated as of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Purchase Agreement"), between the Debtor and the Secured Party, the Secured Party has agreed to purchase Senior Secured Convertible Notes issued by the Debtor (the "Notes"); and

WHEREAS, as a condition precedent to the purchase of the Notes under the Purchase Agreement, the Debtors are required to execute and deliver this Agreement; and

WHEREAS, the Debtor has duly authorized the execution, delivery and performance of this Agreement; and

WHEREAS, the obligations of the Debtor under the Purchase Agreement and the Notes are to be secured pursuant to this Agreement; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Collateral Agent, Secured Party and the Debtor intending to be legally bound, hereby agree as follows:

1. Definitions. When used herein, (a) the terms Account Debtor, Goods and Instrument shall have the respective meanings assigned to such terms in the Uniform Commercial Code (as defined below) and (b) the following terms have the following meanings (such definitions to be applicable to both the singular and plural forms of such terms):

Account shall mean any account, contract right, instrument or document representing any right of Debtor to payment for goods sold or leased or for services rendered, whether or not such right to payment has been earned by performance, and all interest and service charges thereon, and any other account of Debtor as such term is defined in the Illinois Uniform Commercial Code.

Agreement - see the Preamble.

Assignee Deposit Account - see Section 4

Chattel Paper shall mean any writing or writings owned by Debtor which evidence (a) both a monetary obligation and a security interest in specific goods or (b) a lease of specific goods, and Debtor's rights to payments thereunder, and any other chattel paper of Debtor as such term is defined in the Illinois Uniform Commercial Code.

Collateral means, with respect to the Debtor, all property and rights of Debtor in which a security interest is granted hereunder.

Debtor - see the Preamble.

Default each of the following shall be a "Default" as such term is used in this Agreement:

(i) Failure by Debtor to duly perform or observe, in all material respects, any obligation, covenant or agreement on its part contained in this Agreement;

(ii) Any "Event of Default" as such term is defined in the Note;

(iii) Any representation or warranty of Debtor contained herein is discovered to be untrue in any material respect or any statement, certificate or data furnished by either Debtor pursuant hereto is discovered to be untrue in any material respect as of the date as of which the facts therein set forth are stated or certified;

(iv) A material and adverse change occurs in the value of the Collateral or the business operations or financial condition of the Debtor;

(v) All or any part of the Collateral is attached, seized, subjected to a writ or distress warrant, or levied upon, or come within the possession or control of any receiver, trustee, custodian or assignee for the benefit of creditors; or

(vi) The entry into any exclusive license relating to or sale, conveyance, assignment, lease, abandonment or otherwise transfer or disposition of, voluntarily or involuntarily, any of its properties or assets, tangible or intangible (including sale, assignment, discount or other disposition of Accounts, Chattel Paper, Tangibles or General Intangibles with or without recourse) other than (A) a merger or consolidation of the Company whereupon a majority of the outstanding voting securities of the surviving entity are held by the holders of the Company's voting securities immediately prior to such merger or consolidation in substantially the same relative proportions as immediately prior to such merger or consolidation or (B) the sale, transfer, lease or licensing, pursuant to Section 6.15 of the Purchase Agreement or a sale and lease or license back or pledge or mortgage to a bona fide lender, of a majority of the assets of the Company.

General Intangibles shall mean any personal property (including things in action) of the Debtor, other than goods, accounts, chattel paper, documents, instruments and money, and any other general intangibles of the Debtor as such term is defined in the Illinois Uniform Commercial Code, including, without limitation, all of the Debtor's rights, title and interest in and to all contracts to supply goods and services to its customers, tax refunds and rebates, manufacturing and processing rights, designs, patent rights and applications therefor, trademarks and registration or applications therefor, tradenames, brand names, logos, inventions, copyrights and all applications and registrations therefore, license rights, royalties, trade secrets, methods, processes, know-how and formulas. General Intangibles specifically includes, but is not limited to, those items described in Schedule I.

Inventory shall mean all goods, merchandise and other personal property, now owned or hereafter produced, manufactured or acquired by the Debtor which are held for sale or lease or are furnished or to be furnished under a contract of service or are raw materials, work in process or materials used or consumed or to be used or consumed in the Debtor's business, and any other inventory of the Debtor as such term is defined in the Illinois Uniform Commercial Code.

Liabilities means all obligations (monetary or otherwise) of the Debtor, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, which arise out of or in connection with the Notes including, without limitation, any post-petition interest accruing during any bankruptcy or reorganization of the Debtor or other similar proceeding.

Notes – see the Recitals.

Purchase Agreement - see the Recitals.

Required Secured Parties means Secured Parties holding greater than a majority of the aggregate outstanding principal amount of Liabilities.

Secured Party - see the Preamble.

Tangible Property shall mean all machinery, equipment, furniture and other tangible personal property and fixtures of the Debtor or any part thereof, together with all accessions, additions, accessories, parts and equipment now or hereafter affixed thereto or used in connection therewith.

Uniform Commercial Code means the Uniform Commercial Code as in effect in the State of Illinois on the date of this Agreement; provided, however, as used in Section 9 hereof, "Uniform Commercial Code" means the Uniform Commercial Code as in effect from time to time in the applicable jurisdiction.

2. Grant of Security Interest. As security for the payment of all Liabilities, the Debtor hereby assigns to the Collateral Agent, and grants to the Collateral Agent, for the equal and ratable benefit of the Collateral Agent and the Secured Parties, a continuing security interest in all of the Debtor's right, title and interest in the following property, whether now or hereafter existing or acquired:

All cash, cash equivalents, Tangible Property, Accounts, General Intangibles, Instruments and Chattel Paper of the Debtor, whether now or hereafter existing or acquired, including, without limitation, all present and future claims of the Debtor for tax refunds, all other present and future obligations due the Debtor and all present and future interests of the Debtor in any goods the sale or lease of which shall have given or shall give rise to any Accounts, Chattel Paper or Instruments; all present and future Inventory of the Debtor and all documents of title covering any Tangible Property or Inventory; all records (including computer software) pertaining to the Collateral; and all products and proceeds (whether cash or non-cash proceeds) of any of the foregoing, including without limitation insurance and condemnation proceeds.

3. Warranties. The Debtor warrants that: (a) except as disclosed on Schedule III and preamble, no financing statement or other filing (other than any which may have been filed on behalf of the Secured Party) covering any of the Collateral is on file in any public office; (b) except to the extent the financing statements listed in Schedule III create a duly perfected security interest in the security as set forth therein, the Debtor is and will be the lawful owner of all Collateral, free of all liens and claims whatsoever, other than the security interest created hereunder, with full power and authority to execute this Agreement and perform the Debtor's obligations hereunder, and to subject the Collateral to the security interest hereunder; (c) all written information with respect to Collateral and Account Debtors set forth in any schedule, certificate or other writing at any time heretofore or hereafter furnished by the Debtor to the Collateral Agent and Secured Party, and all other written information heretofore or hereafter furnished by the Debtor to the Collateral Agent and Secured Party, is and will be true and correct in all material respects as of the date furnished; (d) the Debtor's jurisdiction of organization, chief executive office, principal place of business and locations of all portions of the Collateral which is tangible property are as set forth on Schedule II hereto; (e) the execution and delivery of this Agreement and the performance by the Debtor of its obligations hereunder are within the Debtor's powers, have been duly authorized by all necessary corporate action, have received all necessary governmental approval (if any shall be required), and do not and will not contravene or conflict with any provision of law or of the organizational documents of such Debtor or of any agreement, indenture, instrument or other document, or any judgment, order or decree, which is binding upon the Debtor; (f) this Agreement is a legal, valid and binding obligation of the Debtor, enforceable in accordance with its terms, except that the enforceability of this Agreement may be limited by bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and creates a valid, and after all appropriate action is taken and except to the extent the financing statements and parties listed in Schedule III create a duly perfected security interest in the security as set forth therein, first priority security interest in the Collateral and such security interest is entitled to all rights, priorities and benefits afforded by the Uniform Commercial Code; and (g) such Debtor is in compliance with the requirements of all applicable laws, rules, regulations and orders of every governmental authority, the non-compliance with which would materially adversely affect any material portion of the Collateral.

4. Collections, etc. Until such time as the Collateral Agent shall notify the Debtor in writing of the revocation of such power and authority which notification shall remain in effect only so long as any Default has occurred and is continuing, the Debtor (a) will, at its own expense, endeavor to collect, as and when due, all amounts due under any of the Collateral, including the taking of such action with respect to such collection as the Collateral Agent may reasonably request or, in the absence of such request, as the Debtor may deem advisable, and (b) may grant, in the ordinary course of business, to any party obligated on any Account, any rebate, refund or allowance to which such party may be lawfully entitled, and may accept, in connection therewith, the return of goods, the lease of which shall have given rise to such Account. The Collateral Agent, however, may, at any time that a Default exists and is continuing, after first notifying the Debtor of its intention to do so, whether before or after any revocation of such power and authority or the maturity of any of the Liabilities, notify any Account Debtor obligated on any of the Collateral to make payment to the Collateral Agent of any amounts due or to become due thereunder and enforce collection of any of the Collateral by suit or otherwise

and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby. Upon request of the Collateral Agent during the existence of a Default, the Debtor will, at its own expense, notify any Account Debtor obligated on any of the Collateral to make payment directly to the Collateral Agent of any amounts due or to become due thereunder.

Upon request by the Collateral Agent during the existence of a Default, the Debtor will forthwith, upon receipt, transmit and deliver to the Collateral Agent, in the form received, all cash, checks, drafts and other instruments or writings for the payment of money (properly endorsed, where required, so that such items may be collected by the Secured Party) which may be received by the Debtor at any time in full or partial payment or otherwise as proceeds of any of the Collateral (other than cash, checks, drafts and other instruments or writings in an aggregate amount of less than \$10,000). Except as the Collateral Agent may otherwise consent in writing, any such items which may be so received by the Debtor will not be commingled with any other of its funds or property, but will be held separate and apart from its own funds or property and upon express trust for the Collateral Agent until delivery is made to the Collateral Agent. The Debtor will comply with the terms and conditions of any consent given by the Collateral Agent pursuant to the foregoing sentence.

During the existence of a Default, all items or amounts which are delivered by the Debtor to the Collateral Agent on account of partial or full payment or otherwise as proceeds of any of the Collateral shall be deposited to the credit of a deposit account (the "Assignee Deposit Account") of the Debtor with the Collateral Agent, or a bank designated by the Collateral Agent, as security for payment of the Liabilities. The Debtor shall not have any right to withdraw any funds deposited in the applicable Assignee Deposit Account. The Collateral Agent may, from time to time, in its discretion, and shall upon request of the Debtor made not more than once in any week, apply all or any of the then balance, representing collected funds, in the Assignee Deposit Account, toward payment of the Liabilities, whether or not then due, in such order of application as the Collateral Agent may determine, and such Collateral Agent may, from time to time, in its discretion, release all or any of such balance to the Debtor.

Upon the occurrence and during the continuance of a Default, the Collateral Agent is authorized to endorse, in the name of the Debtor, any item, howsoever received by the Collateral Agent, representing any payment on or other proceeds of any of the Collateral. This provision shall constitute an irrevocable power-of-attorney coupled with an interest, but only for these purposes.

5. Certificates, Schedules and Reports. The Debtor will from time to time, as the Collateral Agent may reasonably request, deliver to the Collateral Agent such schedules, certificates and reports respecting all or any of the Collateral at the time subject to the security interest hereunder, and the items or amounts received by the Debtor in full or partial payment of any of the Collateral, as the Collateral Agent may reasonably request. Any such schedule, certificate or report shall be executed by a duly authorized officer of the Debtor and shall be in such form and detail as the Collateral Agent may reasonably specify. Each Debtor shall immediately notify the Collateral Agent of the occurrence of any event causing any loss or depreciation in the value of its inventory or other goods or intellectual property which would

materially adversely affect any material portion of the Collateral, and such notice shall reasonably specify the amount of such loss or depreciation.

6. Affirmative Covenants of the Debtor. The Debtor (a) will, upon request of the Collateral Agent, execute such financing statements and other documents (and pay the cost of filing or recording the same in all public offices reasonably deemed appropriate by the Collateral Agent) and do such other acts and things, all as the Collateral Agent may from time to time reasonably request, to establish and maintain a valid security interest in the Collateral to secure the payment of the Liabilities; (b) will keep its records concerning Accounts in such a manner as will enable the Collateral Agent or its designees to determine at any time the status of Accounts; (c) will permit the Collateral Agent and its designees, from time to time, on reasonable notice and at reasonable times and intervals during normal business hours (or at any time without notice during the existence of a Default), pursuant to the Company's confidentiality and security policies, to inspect such Debtor's Inventory (and to the extent Inventory is on lease to an Account Debtor, the Debtor agrees to use its best efforts to cause such Account Debtor to permit the Collateral Agent to inspect the Inventory), and to inspect, audit and make copies of and extracts from all records and all other papers in the possession of the Debtor pertaining to the Collateral and the Account Debtors, and will, upon request of the Collateral Agent during the existence of a Default, deliver to the Collateral Agent all of such records and papers; (d) will furnish the Collateral Agent with such information concerning the Debtor, the Collateral and the Account Debtors as the Collateral Agent may from time to time reasonably request; (e) will stamp on its records concerning the Collateral, and add on all Chattel Paper constituting a portion of the Collateral, a notation, in form satisfactory to the Collateral Agent, of the security interest of the Collateral Agent and Secured Party hereunder; (f) will take such actions (and if the Inventory is on lease to an Account Debtor, will cause such Account Debtor to take such actions) as are reasonably necessary to keep its Inventory in good repair and condition, ordinary wear and tear excepted; (g) will promptly pay when due all license fees, registration fees, taxes, assessments and other charges which may be levied upon or assessed against the ownership, operation, possession, maintenance or use of its Inventory; (h) will, upon written request of the Collateral Agent, (1) cause to be noted on the applicable certificate, in the event any of its Inventory is covered by a certificate of title, the security interest of the Collateral Agent in the Inventory covered thereby, and (2) deliver all such certificates to the Collateral Agent or its designees; (i) will take all steps reasonably necessary to protect, preserve and maintain all of its rights in the Collateral; and (j) will reimburse the Collateral Agent or Secured Party for all expenses, including reasonable attorneys' fees and legal expenses, incurred by the Collateral Agent or such Secured Party in seeking to collect or enforce any rights in respect of the Collateral.

Any expenses incurred in protecting, preserving and maintaining any Collateral shall be borne by the Debtor. Whenever a Default shall be existing, the Debtor shall promptly, upon demand, reimburse and indemnify the Collateral Agent and Secured Party for all reasonable costs and expenses incurred by the Collateral Agent or Secured Party in the exercise of its rights under this Section 6. Notwithstanding the foregoing, neither the Collateral Agent nor any Secured Party shall have any obligations or liabilities regarding any of the Collateral by reason of, or arising out of, this Agreement.

7. Negative Covenants of the Debtor. The Debtor (a) will not sell, lease, transfer or otherwise dispose of all, substantially all, or any material portion of the Collateral, except for sales of inventory in the ordinary course for fair consideration; (b) except (i) to the extent the financing statements listed in Schedule III create a duly perfected security interest in the security as set forth therein, and (ii) any pledges or guarantees of cash or cash equivalents by the Debtor in the ordinary course of business not to exceed \$10,000 in the aggregate, will not create, incur or permit to exist any mortgage, pledge, encumbrance, lien, security interest or charge of any kind (including liens or charges upon properties acquired or to be acquired under conditional sales agreements or other title retention devices) on its property or assets, whether now owned or hereafter acquired, or upon any income or profits therefrom, except as permitted under this Agreement, the Purchase Agreement and the Note; (c) except pursuant to the Notes, and except for purchase money financing to the extent otherwise permitted herein, will not have at any time outstanding any indebtedness for borrowed money or any outstanding letters of credit; (d) will not redeem, repurchase or otherwise make any payment to acquire any shares of the Debtor's common stock or securities convertible into or exchangeable for shares of common stock; (e) will not pay dividends or make any other distribution on its common stock or any other class of equity security; and (f) will not directly or indirectly guarantee or otherwise become directly or indirectly liable for any obligations or liabilities of any other person or entity.

8. Insurance Covenant of the Debtor. The Debtor shall carry adequate insurance issued by responsible and financially sound insurers, in amounts acceptable to the Collateral Agent (at least adequate to comply with any co-insurance provisions) and against all such liability and hazards as are usually carried by entities engaged in the same or a similar business similarly situated or as may be required by the Collateral Agent. In the case of insurance on any of the Collateral, Debtors shall carry insurance in the full insurable value thereof and cause the Collateral Agent to be named as loss payee (with a lender's loss payable endorsement) with respect to all personal property, and additional insured with respect to all liability insurance, as its interests may appear with thirty (30) days' notice to be given the Collateral Agent by the insurance carrier prior to cancellation or material modification of such insurance coverage.

The Debtor shall cause to be delivered to the Collateral Agent the insurance policies therefor or in the alternative, evidence of insurance and at least thirty (30) business days prior to the expiration of any such insurance, additional policies or duplicates thereof or in the alternative, evidence of insurance evidencing the renewal of such insurance and payment of the premiums therefor. The Debtor shall direct all insurers that in the event of any loss thereunder or the cancellation of any insurance policy, the insurers shall make payments for such loss and pay all returned or unearned premiums directly to the Collateral Agent and not to the Debtor and the Collateral Agent jointly.

In the event of any loss, the Debtor will give the Collateral Agent immediate notice thereof and the Collateral Agent may make proof of loss whether the same is done by the Debtor. The Collateral Agent is granted a power of attorney by the Debtor with full power of substitution to file any proof of loss in such Debtor's or in the Collateral Agent's name, to endorse the Debtor's name on any check, draft or other instrument evidencing insurance proceeds, and to take any action or sign any document to pursue any insurance loss claim. Such power being coupled with an interest is irrevocable.



In the event of any loss, the Collateral Agent, at its option, may (i) retain and apply all or any part of the insurance proceeds to reduce, in such order and amounts as the Collateral Agent may elect, the Liabilities, or (ii) disburse all or any part of such insurance proceeds to or for the benefit of the Debtor for the purpose of repairing or replacing Collateral after receiving proof satisfactory to the Collateral Agent of such repair or replacement, in either case without waiving or impairing the Liabilities or any provision of this Agreement. Any deficiency thereon shall be paid by the Debtor to the Collateral Agent upon demand. The Debtor shall not take out any insurance without having the Collateral Agent named as loss payee or additional insured thereon. The Debtor shall bear the full risk of loss from any loss of any nature whatsoever with respect to the Collateral.

9. Default. Whenever a Default shall be existing, the Collateral Agent may exercise from time to time any rights and remedies available to it under applicable law. The Debtor agrees, in case of Default, to assemble, at its expense, all its Inventory at a convenient place or places acceptable to the Collateral Agent. Any notification of intended disposition of any of the Collateral required by law shall be deemed reasonably and properly given if given at least five days before such disposition. Any proceeds of any disposition by the Collateral Agent of any of the Collateral may be applied by the Collateral Agent first to the costs, expenses and reasonable attorneys' fees and expenses incurred by Collateral Agent for collection and for acquisition, completion, protection, removal, storage, sale and delivery of the Collateral; second to interest due upon any of the Liabilities; and third to the principal of the Liabilities. If any deficiency shall arise, the Debtor shall remain liable to Collateral Agent and the Secured Parties therefor.

The Debtor hereby appoints the Collateral Agent as such Debtor's attorney-in-fact, which appointment as attorney-in-fact is irrevocable and coupled with an interest, with full power and authority in the place of the Debtor and in the name of the Debtor, upon the occurrence and during the continuance of a Default, in the discretion of the Collateral Agent, to take any action and to execute any instrument that it may deem necessary to accomplish the purposes of this Agreement.

10. Agency.

(i) Appointment and Authorization of Agent. Each of the Secured Parties, on the terms and conditions hereof, hereby irrevocably appoints and authorizes Ravenswood (together with its successors and assigns in such capacity) to act as their agent hereunder, under this Agreement, with such powers as are expressly delegated to the Collateral Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. The execution of this Agreement by the Collateral Agent shall be deemed an acceptance by the Collateral Agent of the appointment made under this Section 10(i) and an agreement to act as agent on behalf of each of the other Secured Parties.

Notwithstanding anything to the contrary contained herein, the Collateral Agent shall not be required to take any action (i) which is contrary to this Agreement, (ii) which is contrary to applicable law or (iii) if the Collateral Agent has not received an indemnity or other undertaking from all or a portion of the Secured Parties with respect to any claims arising out of such action, which undertaking is satisfactory to the Collateral

Agent in its sole discretion. The Collateral Agent shall be entitled to cease taking any action, once it has commenced taking action, if it no longer deems any indemnity or undertaking from the Secured Parties to be sufficient.

The Collateral Agent shall not be responsible for any action taken or omitted to be taken by it hereunder, under this Agreement or in connection herewith or therewith, except for its own gross negligence or willful misconduct.

(ii) Reliance by Collateral Agent. As to any matters not expressly provided for by this Agreement, the Collateral Agent shall not be required to take any action or exercise any discretion, but shall be required to act or to refrain from acting upon instructions of the Required Secured Parties and shall in all such cases be fully protected in acting, or in refraining from acting, hereunder in accordance with such instructions of the such Required Secured Parties and any action taken or failure to act pursuant thereto shall be binding on all of the Secured Parties. Each Secured Party that is a party hereto (for itself, each party on whose behalf it executes this Agreement and any person claiming through it) agrees that each decision made in accordance with the terms of this Agreement shall be binding upon each Secured Party that is a party hereto (for itself, each party on whose behalf it executes this Agreement and any person claiming through it).

(iii) Duties, Immunities and Liabilities of Collateral Agent.

(a) At all times the Collateral Agent shall be required to perform such duties and only such duties as are expressly and specifically set forth in this Agreement and no implied duties or obligations whatsoever shall be read into this Agreement against the Collateral Agent.

(b) No provision in this Agreement shall require the Collateral Agent to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties or powers or rights hereunder unless any Secured Party, has offered and provided to the Collateral Agent security or indemnity, which the Collateral Agent, in its sole subjective discretion, deems adequate for such fees, expenses and liabilities that the Collateral Agent may incur.

(c) The Collateral Agent shall not be responsible for the recording or filing of any document relating to this Agreement or of financing statements (or continuation statements in connection therewith) or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect the security interests hereunder. The Collateral Agent shall not be deemed to have made representations as to the Collateral or as to the validity or sufficiency of any such document relating thereto.

(d) The Collateral Agent shall not be accountable for the use or application by any party of any funds which the Collateral Agent has released under this Agreement.

(e) In the course of its duties hereunder, the Collateral Agent may at all times:

(1) refrain from acting or continuing to act in accordance with any instructions of the Required Secured parties to begin any legal action or proceeding arising out of or in connection with any Transaction Document until it shall have received such indemnity, security or undertaking for costs from the Secured Parties as it may require (whether by payment in advance or otherwise) for all costs, claims, losses and expenses (including reasonable legal fees and expenses) and liabilities which it will or may expend or incur in complying or continuing to comply with such instructions; and

(2) seek instructions from the Required Secured Parties as to the exercise of any of its rights, powers or discretion hereunder and in the event that it does so it shall not be considered as having acted unreasonably when acting in accordance with such instructions or, in the absence of any (or any clear) instructions, when refraining from taking any action or exercising any right, power or discretion hereunder.

11. General. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Collateral Agent to comply with any such request shall not of itself be deemed a failure to exercise reasonable care; and no failure of the Collateral Agent to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed of itself a failure to exercise reasonable care in the custody or preservation of such Collateral.

All notices, reports and other communications given pursuant to this Agreement shall be in writing and shall either be mailed by first class mail, postage prepaid, certified or registered with return receipt requested, delivered in person or by nationally recognized overnight courier or sent by telecopier or prepaid telegram followed by confirmatory letter. Notice sent by mail in the foregoing manner shall be deemed served or given three (3) Business Days after deposit in the United States Postal Service. Notice delivered by nationally recognized overnight courier shall be deemed served or given one (1) Business Day after delivery to the courier charges, prepaid. For purposes of notice, the address of each party hereto shall be the address as stated on the signature page of this Agreement; provided, that, each party hereto shall have the continuing right to change its address for notice hereunder to any other location by giving thirty (30) days' prior notice of such change to the Secured Party in the manner set forth above.

The Debtor agrees to pay all reasonable expenses (including reasonable attorney's fees and legal expenses) paid or incurred by the Secured Party in endeavoring to collect the Liabilities, or any part thereof, and in enforcing this Agreement against the Debtor, and such obligations will themselves be Liabilities.

No delay on the part of the Collateral Agent or Secured Party in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Collateral Agent or Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

This Agreement shall remain in full force and effect until the earlier of (i) all Liabilities have been paid in full or (ii) the Notes have been fully converted pursuant thereto. If at any time all or any part of any payment theretofore applied by the Collateral Agent to any of the Liabilities is or must be rescinded or returned by the Collateral Agent for any reason whatsoever (including the insolvency, bankruptcy or reorganization of the Debtor), such Liabilities shall, for the purposes of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Collateral Agent, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such Liabilities, all as though such application by the Collateral Agent had not been made.

**THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF ILLINOIS;** subject, however, to the applicability of the Uniform Commercial Code of any jurisdiction in which any Inventory of the Debtor may be located at any given time. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. This Agreement, the Purchase Agreement and the Notes constitute the entire understanding among the parties hereto with respect to the subject matter hereof and thereof and supersede any prior agreements, written or oral, with respect thereto.

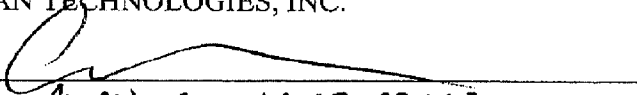
The rights and privileges of the Collateral Agent and Secured Party hereunder shall inure to the benefit of their respective successors and assigns.

This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.


To induce the Secured Party to purchase the Notes, the Debtor irrevocably agrees that, subject to the sole and absolute election of the Collateral Agent, all suits, actions or other proceedings in any way, manner or respect, arising out of or from or related to this Agreement or any document executed in connection herewith, shall be subject to litigation in courts having situs within Illinois. The Debtor hereby consents and submits to the jurisdiction of any local, state or federal court located within said city and state. The Debtor hereby waives any right it may have to trial by jury, to transfer or change the venue of any suit, action or other proceeding brought against the Debtor by the Collateral Agent or Secured Party in accordance with this section, or to claim that any such proceeding has been brought in an inconvenient forum.

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

SPIRIAN TECHNOLOGIES, INC.

By:   
Name: ALAN G. WASSERMAN  
Title: CHAIRMAN & CEO

RAVENSWOOD CAPITAL VENTURE FUND II, L.P., as  
Collateral Agent and Secured Party


By:   
Name: Daniel Karter  
Title: As Pres. of the Chief Manager of the  
General Partner

WINGATE CAPITAL LTD., as Secured Party

By: CITADEL LIMITED PARTNERSHIP, its  
Portfolio Manager

By: GLB PARTNERS, L.P., its General  
Partner

By: CITADEL INVESTMENT GROUP,  
L.L.C., its General Partner

By:   
Adam C. Cooper, Senior  
Managing Director and General  
Counsel

PRIMUS CAPITAL FUND IV LIMITED  
PARTNERSHIP, as Secured Party

By: PRIMUS VENTURE PARTNERS IV,  
LIMITED PARTNERSHIP, its General  
Partner

By: PRIMUS VENTURE PARTNERS IV,  
INC., its General Partner

By: Jonathan E. Dick  
Name: JONATHAN E. DICK  
Title: Exec. V.P.

PRIMUS EXECUTIVE FUND LIMITED  
PARTNERSHIP, as Secured Party

By: PRIMUS VENTURE PARTNERS IV,  
LIMITED PARTNERSHIP, its General  
Partner

By: PRIMUS VENTURE PARTNERS IV,  
INC., its General Partner

By: Jonathan E. Dick  
Name: JONATHAN E. DICK  
Title: Exec. V.P.



SILVERYOUNG FUND L.P, as Secured Party

By: SILVER YOUNG PARTNERS LLC, its  
General Partner

By: *Lawrence M Silver* 4-103  
Name: Lawrence M Silver  
Title: Managing Member

SCHEDULE I

**REGISTERED TRADEMARKS**

TRADEMARK NAME	OWNER	STATUS	APPLICATION # & DATE FILED	REGIS. # & DATE
S P I R I A N	Spirian Technologies, Inc.	Registered	7/28/00	No. 2,556,048 4/2/02
SSDIM	Systems Progress Group Inc	Registered	9/7/99	No. 2,445,814 - 4/24/01
Spirian graphic Logo	Systems Progress Group Inc	Registered	9/20/99	No. 2,445,833 - 4/24/01
SPIRIAN	Spirian Technologies, Inc.	Registered	7/28/02	No. 2556047 4/2/02 -

**SOFTWARE, INTELLECTUAL PROPERTY,**

- Spirian Serviceability Development Kit
- Spirian Manageability
- Spirian Serviceability
- Spirian Deployability
- Spirian Modules: Assett Discovery, Distribution, Migration, Live Analytics, Planning & Scheduling

## SCHEDULE II

- 455 North Cityfront Plaza Drive 10<sup>th</sup> Floor Chicago, Illinois 60611
- 50 Main Street Suite 1000 White Plains, NY 10606
- 4040 Civic Center Drive Suite 200 San Rafeal, CA

SCHEDULE III

Heller Financial Leasing, Inc – Loan and Security Agreement, No. 24-01121, dated as of January 13, 2003

UCC Financing Statement No. 11273304 filed 10-19-01 and amended by No. 21251242 filed 05-14-02, in favor of Cobra Capital LLC as secured party.

13046657 03029624

**RECORDED: 04/02/2003**

**TRADEMARK  
REEL: 002706 FRAME: 0087**