

703-306-5995

Form **PTO-1594**
Rev. (3/01)
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

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

1. Name of conveying party(ies):
Syncre Systems, Inc.
16 Main Street
Waltham, Massachusetts 02451

Individual(s) Association
 General Partnership Limited Partnership

Corporation-State Delaware
 Other:

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

2. Name and address of receiving party(ies)

Name: **ICG Holdings, Inc.**

Internal
Address: **Pencader Corporate Center**

Street Address: **100 Lake Drive, Suite 4**

City: **Newark** State: **DE** Zip: **19702**

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State Delaware
 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 *(see more)*

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name

Other _____

Execution Date: **January 5, 2004**

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

A. Trademark Application No.(s)
75/828683

B. Trademark Registration No.(s)
2665986 2642520 2419595

Additional number(s) attached Yes No

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

Name: **Barbara Barakat, Esquire**

Internal Address: **Hale and Dorr LLP**

Street Address: **60 State Street**

City: **Boston** State: **Massachusetts** Zip: **02109**

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:
08-0219
 (Attach duplicate copy of this page if paying by deposit account)

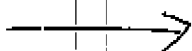
DO NOT USE THIS SPACE

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.

Barbara Barakat, Esquire *Barbara Barakat* **January 6, 2004**
 Name of Person Signing Signature Date

Hale and Dorr LLP Attorney Reference Number: **286.485.121**
Total number of pages including cover sheet, attachments, and document: 29

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



Please return via facsimile to Barbara Barakat @ 617-526-5000

BOSTON 1810780v1
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**RECORDATION FORM COVER SHEET
CONTINUATION PAGE 1**

Name and address of receiving party(ies)	
Name: Zero Stage Capital VI, L.P.	
Internal	
Address: c/o Zero Stage Capital Co., Inc.	
Street Address: 101 Main Street, 17th Floor	
City: Cambridge State: MA Zip: 02142	
<input type="checkbox"/> Individual(s) citizenship	
<input type="checkbox"/> Association	
<input type="checkbox"/> General Partnership	
<input checked="" type="checkbox"/> Limited Partnership Massachusetts	
<input type="checkbox"/> Corporation-State	
<input type="checkbox"/> Other	
If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(Designations must be a separate document from assignment)	

Name and address of receiving party(ies)	
Name: TL Ventures III, L.P.	
Internal	
Address: c/o TL Ventures LLC	
Street Address: 700 The Safeguard Building, 435 Devon Park Drive	
City: Wayne State: PA Zip: 19087	
<input type="checkbox"/> Individual(s) citizenship	
<input type="checkbox"/> Association	
<input type="checkbox"/> General Partnership	
<input checked="" type="checkbox"/> Limited Partnership Delaware	
<input type="checkbox"/> Corporation-State	
<input type="checkbox"/> Other	
If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(Designations must be a separate document from assignment)	

RECORDATION FORM COVER SHEET
CONTINUATION PAGE 2

Name and address of receiving party(ies)	
Name: TL Ventures III Offshore L.P.	
Internal	
Address: c/o Trident Trust Company Ltd.	
Street Address: P.O. Box 847, One Capital Place, Fourth Floor	
City: Grand Cayman State/Country: Cayman Islands Zip:	
<input type="checkbox"/>	Individual(s) citizenship
<input type="checkbox"/>	Association
<input type="checkbox"/>	General Partnership
<input checked="" type="checkbox"/>	Limited Partnership Cayman Islands
<input type="checkbox"/>	Corporation-State
<input type="checkbox"/>	Other
If assignee is not domiciled in the United States, a domestic representative designation is attached: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(Designations must be a separate document from assignment)	

Name and address of receiving party(ies)	
Name: TL Ventures III Interfund L.P.	
Internal	
Address: c/o TL Ventures LLC	
Street Address: 700 The Safeguard Building, 435 Devon Park Drive	
City: Wayne State: PA Zip: 19087	
<input type="checkbox"/>	Individual(s) citizenship
<input type="checkbox"/>	Association
<input type="checkbox"/>	General Partnership
<input checked="" type="checkbox"/>	Limited Partnership Delaware
<input type="checkbox"/>	Corporation-State
<input type="checkbox"/>	Other
If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(Designations must be a separate document from assignment)	

**RECORDATION FORM COVER SHEET
CONTINUATION PAGE 3**

Name and address of receiving party(ies)
Name: Cambridge Technology Capital Fund I L.P.
Internal
Address: c/o Novell, Inc.
Street Address: 8 Cambridge Center
City: Cambridge State: MA Zip: 02142
<input type="checkbox"/> Individual(s) citizenship
<input type="checkbox"/> Association
<input type="checkbox"/> General Partnership
<input checked="" type="checkbox"/> Limited Partnership Delaware
<input type="checkbox"/> Corporation-State
<input type="checkbox"/> Other
If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(Designations must be a separate document from assignment)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Assignor: Syncra Systems, Inc.
716 Main Street
Waltham, Massachusetts 02451

Assignee: TL Ventures III Offshore L.P.
c/o Trident Trust Company Ltd.
P.O. Box 847
One Capital Place, Fourth Floor
Grand Cayman, Cayman Islands

Marks: SYNCRA SYSTEMS (75/828683)
SYNCRA (2665986)
SYNCRA (2642520)
SYNCRA CT (2419595)

Docket No.: 286.485.121

Commissioner of Patents & Trademarks
Box Assignments
Washington, D.C. 20231

DESIGNATION OF DOMESTIC REPRESENTATIVE

Sir:

TL Ventures Inc., is designated as representative for TL Ventures III Offshore L.P., one of the six Assignees, on whom notices or processes in proceedings affecting the recordation of the above identified marks may be served to:

Pamela A. Strisofsky
TL Ventures Inc.
435 Devon Park Drive
700 Building
Wayne, Pennsylvania 19087-1990

TL VENTURES III OFFSHORE L.P.

By: TL Ventures III Offshore Partners L.P., its general partner

By: TL Ventures III Offshore Partners Ltd., its general partner

Date: January 5, 2004

By: 
Pamela A. Strisofsky
Chief Financial Officer

Designation of Domestic Representative

BOSTON 181131v1

SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of January 5, 2004 made by Syncra Systems, Inc., a Delaware corporation (the "Company") in favor of those other parties set forth on the signature pages hereto (individually a "Secured Party" and collectively the "Secured Parties").

RECITALS

Pursuant to that certain Secured Convertible, Promissory Note and Warrant Purchase Agreement dated as of December 29, 2003 (the "Purchase Agreement"), by and among the Company and the Secured Parties, the Secured Parties agreed to purchase from the Company, upon the terms and subject to the conditions set forth therein, the senior subordinated secured convertible promissory notes (the "Senior Notes") issued by the Company thereunder. It is a condition precedent to the obligations of the Secured Parties to make their loans to the Company under the Purchase Agreement that the Company shall have executed and delivered this Security Agreement to the Secured Parties.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce the Secured Parties to make loans to the Company under the Purchase Agreement, the Company hereby agrees with the Secured Parties as follows:

1. Defined Terms. Unless otherwise defined herein, terms which are defined in the Purchase Agreement and used herein are so used as so defined, and terms which are defined in the Uniform Commercial Code in effect in the State of Delaware on the date hereof are used herein as therein defined, and the following terms shall have the following meanings:

"Code" means the Uniform Commercial Code as from time to time in effect in the State of Delaware.

"Collateral" shall have the meaning assigned to it in Section 2 of this Security Agreement.

"Event of Default" shall mean the occurrence and continuation of any of the events described in Section 2 of the Senior Notes.

"Obligations" means the obligations of the Company to the Secured Parties under the Senior Notes.

"Permitted Liens" shall mean (i) any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance (a) for taxes, assessments or governmental charges or levies on property of the Company if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings with adequate reserves therefor, (b) imposed by law, such as carriers, warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business not to exceed in the aggregate \$50,000 or (c) those items listed on Schedule 1 hereto and (ii) the security interests granted hereunder.

"Person" means an individual, corporation, partnership, joint venture, trust, university, or unincorporated organization, or a government or any agency or political subdivision thereof.

"Security Agreement" means this Security Agreement, as amended or restated from time to time.

"Transaction Agreements" means this Security Agreement, the Purchase Agreement, the Senior Notes and the Warrants.

2. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations, the Company hereby grants to the Secured Parties a security interest in all of the following property now owned or at any time hereafter acquired by the Company or in which the Company now has or at any time in the future may acquire any right, title or interest: (i) Accounts; (ii) Chattel Paper (including electronic chattel paper and tangible chattel paper); (iii) Commercial Tort Claims; (iv) Deposit Accounts; (v) Documents; (vi) Equipment; (vii) Fixtures; (viii) General Intangibles (including, without limitation, patents, patent applications, trade secrets, confidential business information, formula, processes, laboratory notebooks, algorithms, software, copyrights, service marks, trade names, payment intangibles, mask works, claims of infringement against third parties, licenses, permits, license rights, contract rights with employees, consultants and third parties, trademarks, inventions and discoveries, and other such rights generally classified as intangible, intellectual property assets in accordance with generally accepted accounting principles, and all improvements, updates and modifications of the foregoing, including without limitation those United States Patent and Trademark Office trademark applications and registrations, including without limitation, as set forth on Schedule 2 hereto); (ix) Goods; (x) Instruments; (xi) Investment Property and Financial Assets; (xii) Letter-of-Credit Rights and Letters of Credit; (xiii) Money; (xiv) Supporting Obligations; (xv) Inventory; (xvi) insurance claims and proceeds; (xvii) books and records, computer programs, databases and other computer materials of the Company pertaining to any and all of the foregoing; and (xviii) to the extent not otherwise included, Proceeds and products of any and all of the foregoing (collectively, the "Collateral"); provided, however, the Collateral shall not include the Company's certificate of deposit (account # 8800057433) (the "Certificate of Deposit") with Silicon Valley Bank of California ("Silicon Valley Bank") which has been granted to Silicon Valley Bank as a collateral security pursuant to the Certificate of Deposit Authorization Form dated as of September 11, 2003 between the Company, and Silicon Valley Bank, and all certificates of deposit issued upon expiration of the Certificate of Deposit as a result of a roll over of the Certificate of Deposit.

3. Rights of Secured Parties; Limitations on Secured Parties' Obligations.

(a) Company Remains Liable under Accounts. Anything herein to the contrary notwithstanding, the Company shall remain liable under each of the Accounts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to each such Account. The Secured Parties shall not have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Security Agreement or the receipt by the Secured Parties of any payment relating to such Account pursuant hereto, nor shall

the Secured Parties be obligated in any manner to perform any of the obligations of the Company under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(b) Notice to Account Debtors. Upon the request of the Secured Party Representative (as defined in Section 13), at any time after the occurrence and during the continuance of an Event of Default, the Company shall notify account debtors on the Accounts that the Accounts have been assigned to the Secured Parties and that payments in respect thereof shall be made directly to the Secured Party Representative. The Secured Party Representative may in its own name or in the name of others communicate with account debtors on the Accounts to verify with them to its satisfaction the existence, amount and terms of any Accounts.

(c) Collections on Accounts. The Secured Parties hereby authorize the Company to collect the Accounts, and the Secured Parties may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default upon written notice from the Secured Party Representative to the Company. If required by the Secured Party Representative at any time after the occurrence and during the continuance of an Event of Default, any payments of Accounts, when collected by the Company, shall be forthwith (and, in any event, within two Business Days) deposited by the Company in the exact form received, duly endorsed by the Company to the Secured Party Representative if required, in a special collateral account maintained by the Secured Party Representative, subject to withdrawal by the Secured Party Representative only, as hereinafter provided, and, until so turned over, shall be held by the Company in trust for the Secured Party Representative, segregated from other funds of the Company. All Proceeds constituting collections of Accounts while held by the Secured Party Representative (or by the Company in trust for the Secured Parties) shall continue to be collateral security for all of the Obligations and shall not constitute payment thereof until applied thereto by the Secured Party Representative, or by the Company with the Secured Party Representative's consent. If an Event of Default shall have occurred and be continuing, at any time at the Secured Party Representative's election, the Secured Party Representative may apply all or any part of the funds on deposit in said special collateral account on account of the Obligations in such order as the Secured Party Representative may elect, and any part of such funds which the Secured Party Representative elects not so to apply and deems not required as collateral security for the Obligations shall be paid over from time to time by the Secured Party Representative to the Company or to whomsoever may be lawfully entitled to receive the same. At the Secured Party Representative's request, the Company shall deliver to the Secured Party Representative all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the accounts, including, without limitation, all original orders, invoices and shipping receipts.

(d) Trust Account. Upon the occurrence and during the continuance of an Event of Default, the Secured Party Representative may, in its sole discretion, elect to require the Company to establish with the Secured Party Representative or its designee a trust account and to deal with all of its receivables subject to the provisions of this section. Following such

election, the Company, at the Secured Party Representative's option, will continue to collect its Accounts Receivables as the Secured Parties' collection agent, and in any event will hold any collections received thereafter in trust for the Secured Parties without commingling the same with other funds of the Company and will promptly, on the day of receipt thereof, transmit such collections to the Secured Parties pro rata to the amount of Senior Notes then held by the Secured Parties in the identical form in which they were received by the Company, with such endorsements as may be appropriate, accompanied by a report, in form approved by the Secured Party Representative, showing the amount of such collections and the cash discounts applicable thereto.

(e) Title to Collateral; Intellectual Property. Except as set forth on Schedule E, the Company represents and warrants to the Secured Parties that it has good title to all of the Collateral, free and clear of all liens, security interests and adverse interests, other than the Permitted Liens, in favor of any person or entity other than the Secured Parties. The Company owns or has valid right to use the patents, patent applications, trade secrets, confidential business information, formula, processes, laboratory notebooks, algorithms, software, copyrights, mask works, claims of infringement against third parties, licenses, permits, license rights, contract rights with employees, consultants and third parties, payment intangibles, trademarks, service marks, trade names, inventions and discoveries, and other such rights generally classified as intangible, intellectual property assets in accordance with generally accepted accounting principles ("Intellectual Property Rights") being used to conduct its business as now operated and as now proposed to be operated; and the conduct of its business as now operated and now proposed to be operated does not and will not conflict with valid Intellectual Property Rights of others.

(f) Limitation of Rights. The Secured Parties agree and acknowledge that their rights pursuant to Sections 3(b), (c) and (d) hereof are subject to the terms set forth in Section 1 of the Senior Notes.

(g) Deposit, Commodity and Securities Accounts. Schedule 3(g) correctly identifies all deposit, commodity and securities accounts owned by the Company and the institutions holding such accounts. No Person other than the Company has control over any Investment Property.

(h) Jurisdiction of Incorporation; Office Locations; Fictitious Names. The jurisdiction of incorporation, chief place of business and the chief executive office of the Company is located at the place identified on Schedule 3(h). Schedule 3(h) also sets forth all other places where the Company keeps its books and records and all other locations where the Company has a place of business. The Company does not do business and has not done business during the past five (5) years under any trade-name or fictitious business name except as disclosed on Schedule 3(h).

(i) Delivery of Collateral. The Company has delivered or will promptly deliver to the Secured Party Representative all Collateral the possession of which is necessary to perfect the security interests of the Purchases therein.

4. Covenants. The Company covenants and agrees with the Secured Parties that, from and after the date of this Security Agreement until the Obligations are paid in full:

(a) Further Documentation; Pledge of Instruments and Chattel Paper. At any time and from time to time, upon the written request of the Secured Party Representative, and at the sole expense of the Company, the Company will promptly and duly execute and deliver such further instruments and documents and take such further action as the Secured Party Representative may reasonably request for the purpose of obtaining or preserving the full benefits of this Security Agreement and of the rights and powers herein granted, including, without limitation, any filings with the United States Patent and Trademark Office and the filing of any financing, modification or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the security interests and liens created hereby. The Company also hereby authorizes the Secured Party Representative to file any such financing, modification or continuation statement without the signature of the Company to the extent permitted by applicable law. A copy or other reproduction of this Security Agreement shall be sufficient as a financing statement for filing in any jurisdiction. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument or Chattel Paper, Such Instrument or Chattel Paper shall be immediately delivered to the Secured Party Representative, duly endorsed in a manner satisfactory to the Secured Party Representative, to be held as Collateral pursuant to this Security Agreement.

(b) Further Identification of Collateral. The Company will furnish to the Secured Party Representative from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party Representative may reasonably request, all in reasonable detail.

(c) Maintenance of Equipment. The Company will maintain each item of Equipment in good operating condition, ordinary wear and tear and immaterial impairments of value and damage by the elements excepted, and will provide all maintenance, service and repairs necessary for such purpose.

(d) Insurance. The Company will maintain, with financially sound and reputable companies, third party and casualty insurance policies on the properties of the Company and the assets located thereon.

(e) Corporate Name, Corporate Records, etc. The Company shall not change its name, identity or corporate structure in any manner that might make any financing statement filed in connection with this Agreement seriously misleading unless the Company shall have given the Secured Parties thirty (30) days prior written notice thereof and shall have taken all action reasonably deemed necessary or desirable by the Secured Parties to protect their liens and the perfection and priority thereof required by the Transaction Agreements. The Company shall not change its state of incorporation, principal place of business, chief executive office or the place where it keeps its books and records unless it shall have given the Secured Parties thirty (30) days prior written notice thereof and shall have taken all action reasonably deemed necessary or desirable by the Secured Parties to cause their security interest in the Collateral to be perfected with the priority required by the Transaction Agreements.

(f) Equipment, Fixtures and Inventory. The Company shall keep the Equipment, Fixtures and Inventory, including without limitation, the Fixtures and Personal Property with respect to the Company's facility, at any of the locations specified on Schedule 3(h), except upon thirty (30) days prior written notice to the Secured Parties.

5. Secured Party Representative's Appointment as Attorney-in-Fact.

(a) Powers. The Company hereby irrevocably constitutes and appoints the Secured Party Representative and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Company and in the name of the Company or in its own name, from time to time in the Secured Party Representative's discretion, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all instruments which may be necessary or desirable to accomplish the purposes of this Security Agreement, and, without limiting the generality of the foregoing, the Company hereby gives the Secured Party Representative the power and right, on behalf of the Company, without notice to or assent by the Company, to do the following:

- (i) in the case of any Account, at any time when the authority of the Company to collect the Accounts has been curtailed or terminated pursuant to the first sentence of Section 3(c) hereof, or in the case of any other Collateral, at any time when any Event of Default shall have occurred and is continuing, in the name of the Company or its own name, or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Account, Instrument or with respect to any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Secured Party Representative for the purpose of collecting any and all such moneys due under any Account Instrument or with respect to any other collateral whenever payable;
- (ii) to pay or discharge taxes and liens levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for the terms of this Security Agreement and to pay all or any part of the premiums therefor and the costs thereof; and
- (iii) Upon the occurrence and during the continuance of any Event of Default, (A) to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Secured Party Representative or as the Secured Party Representative shall direct; (B) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (C) to sign and endorse any invoices, freight or express

bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the collateral; (D) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against the Company with respect to any Collateral; (F) to settle, compromise or adjust any suit, action or proceeding described in clause (E) above and, in connection therewith, to give such discharges or releases as the Secured Party Representative may deem appropriate; and (G) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Secured Party Representative were the absolute owner thereof for all purposes, and to do, at the Secured Party Representative's option and the Company's expense, at any time, or from time to time, all acts and things which the Secured Party Representative deems necessary to protect, preserve or realize upon the Collateral and the Secured Parties' liens thereon and to effect the intent of this Security Agreement, all as fully and effectively as the Company might do.

At the reasonable request of the Secured Party Representative, the Company shall deliver to the Secured Party Representative, one or more further documents ratifying any and all actions that said attorneys shall lawfully take or do or cause to be taken or done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

(b) Other Powers. The Company also authorizes the Secured Party Representative, at any time and from time to time, to execute, in connection with the sales provided for in Section 6 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(c) No Duty on Secured Parties' Part. The powers conferred on the Secured Parties and the Secured Party Representative hereunder are solely to protect the Secured Parties' interests in the Collateral and shall not impose any duty upon the Secured Parties or Secured Party Representative to exercise any such powers. The Secured Parties and the Secured Party Representative shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and no Secured Party nor any of its officers, directors, employees or agents shall be responsible to the Company for any act or failure to act hereunder, except for its own gross negligence or willful misconduct.

6. Remedies. If an Event of Default shall occur and be continuing, the Secured Party Representative may exercise, in addition to all other rights and remedies granted to it in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code. Without limiting the generality of the foregoing, the Secured Party Representative, without demand of performance or other demand, presentment, protest, or notice of any kind (except any notice

required by law referred to below) to or upon the Company or any other person or entity (all and each of which are hereby waived), may, on behalf of the Secured Parties, in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may, on behalf of the Secured Parties, forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Secured Party Representative or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Secured Parties shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity or redemption in the Company, which right or equity is hereby waived or released. The Company further agrees, at the Secured Party Representative's request, to assemble the Collateral and make it available to the Secured Party Representative at places which the Secured Party Representative shall reasonably select, whether at the Company's premises or elsewhere. The Secured Party Representative shall cause the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Parties hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to be applied to the payment in whole or in part of the Obligations, in such order as the Secured Party Representative may elect, and only after such application and after the payment by the Secured Party Representative of any other amount required by any provision of law, including, without limitation, Section 9-615 of the Code. The Secured Parties account for the surplus, if any, to the Company. To the extent permitted by applicable law, the Company waives all claims, damages and demands it may acquire against the Secured Parties and the Secured Party Representative arising out of the exercise by the Secured Parties or Secured Party Representative of any of their rights hereunder, provided that such release shall not apply to any claim, damage or demand resulting directly from the gross negligence, actual willful misconduct or bad faith of the Secured Parties or the Secured Party Representative. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least seven days before such sale or other disposition. The Company shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorneys employed by the Secured Parties and the Secured Party Representative to collect such deficiency.

7. Limitation on Duties Regarding Preservation of Collateral. The Secured Parties' and the Secured Party Representative's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the Code or otherwise, shall be to deal with it in the same manner as the Secured Parties or the Secured Party Representative, as applicable, deal with similar property for their own account. Neither the Secured Parties or the Secured Party Representative nor any of their directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Company or otherwise.

8. Powers Coupled with an Interest. All authorizations and agencies herein contained with respect to the Collateral are irrevocable and powers coupled with an interest.

9. Severability. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10. Paragraph Headings. The paragraph headings used in this Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

11. No Waiver; Cumulative Remedies. The Secured Parties shall not by any act (except by a written instrument pursuant to Section 12 hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Secured Parties or the Secured Party Representative, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Secured Parties or the Secured Party Representative of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Secured Parties or the Secured Party Representative would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

12. Waivers and Amendments; Successors and Assigns. None of the terms or provisions of this Security Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Company and the Secured Party Representative, provided that any provision of this Security Agreement may be waived by the Secured Party Representative in a written letter or agreement executed by the Secured Party Representative or by telex or facsimile transmission from the Secured Party Representative. This Security Agreement shall be binding upon the successors and assigns of the Company and shall inure to the benefit of the Secured Parties and its successors and assigns.

13. Secured Party Representative. In order to administer the transactions contemplated by this Agreement, the Secured Parties hereby designate, appoint and authorize Zero Stage Capital VI, L.P. ("Zero Stage"), of which G. Bickley Stevens is acting as agent for Zero Stage, as their representative for purposes of this Agreement and as attorney-in-fact and agent for and on behalf of each such Secured Party (in such capacity, the "Secured Party Representative"). In the event that Zero Stage or an affiliate of Zero Stage ceases to hold Senior Notes or G. Bickley Stevens, as agent for Zero Stage, resigns from such position, the Secured Parties having a majority in interest of the Senior Notes then outstanding shall select another representative to fill such vacancy and such substituted Secured Party Representative shall be deemed to be the Secured Party Representative for all purposes of this Agreement. All actions of the Secured Party Representative shall be binding upon all of the Secured Parties and no Secured

Party shall have the right to object, dissent, protest or otherwise contest same; provided however, that the Secured Party Representative shall be obligated to act as directed and instructed in writing by holders of two-thirds (66-2/3%) of the aggregate principal amount outstanding under the Senior Notes. The Secured Party Representative shall incur no liability to the Secured Parties with respect to any action taken or suffered by the Secured Party Representative in reliance upon any notice, direction, instruction, consent, statement or other documents believed by it to be genuinely and duly authorized and the Secured Parties hereby jointly and severally indemnify the Secured Party Representative for any and all damages, losses, liabilities, costs and expenses (including reasonable expenses of investigation and reasonable attorney's fees and disbursements in connection with any claim, action, suit or proceeding) ("Losses") incurred by the Secured Party Representative in such capacity other than those liabilities, costs or expenses resulting directly from the gross negligence or willful misconduct of the Secured Party Representative in such capacity.

14. Governing Law. This Security Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware.

15. Termination. This Security Agreement shall terminate automatically upon the written confirmation by all Secured Parties that the Obligations to each such Secured Party has been satisfied in full, which confirmation shall not be unreasonably withheld.

16. Notice. Any notice required or permitted under this Security Agreement shall be in writing (including telecopy communication) and shall be deemed to have been given on the date of delivery, if personally delivered to the party to whom notice is to be given, or on the fifth business day after mailing, if mailed to the party to whom notice is to be given, by certified mail, return receipt requested, postage prepaid or when delivered via confirmed telecopy, and addressed as follows:

if to the Company, at

Syncra Systems, Inc.
716 Main Street
Waltham, MA 02451 Fax: (781) 693-1175
Attention: General Counsel

with a copy to:

Hale and Dorr LLP
60 State Street
Boston, MA 02109 Fax: (617) 526-5000
Attention: John A. Burgess, Esq.

if to a Secured Party, at the address set forth under the Secured Party's name on the signature pages attached hereto.

17. Forum. The Secured Parties may present or file any claim, take any action, in law or equity, to enforce any performance by the Company under the Security Agreement or to

collect the payment of any amounts which may have been assigned to them or to which it may be entitled at any time or times in any jurisdiction in which the Collateral is located.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company has caused this Security Agreement to be duly executed and delivered in favor of the Secured Parties as of the date first above written.

COMPANY:

SYNCRA SYSTEMS, INC.

By: 

Name: Jeffrey Stamen

Title: CEO

SECURED PARTIES:

ICG HOLDINGS, INC.

By: _____

Name: _____

Title: _____

Address: 100 Lake Drive
Pencader Corporate Center
Suite 4
Newark, DE 19702
Fax: (302) 292-3972
Attention: Henry Nassau

With a copy to:

Internet Capital Group, Inc.
Building 600
435 Devon Park Drive
Wayne, PA 19087-1945
Fax: (610) 989-0112
Attention: Henry Nassau

With a copy to:

Wilson Sonsini Goodrich & Rosati
650 Page Mill Road
Palo Alto, CA 94304
Fax: (650) 493-6811
Attention: Elizabeth Flint

IN WITNESS WHEREOF, the Company has caused this Security Agreement to be duly executed and delivered in favor of the Secured Parties as of the date first above written.

COMPANY:

SYNCRA SYSTEMS, INC.

By: _____

Name:

Title:

SECURED PARTIES:

ICG HOLDINGS, INC.

By: *[Signature]*

Name: *Finanza N. Boyer*

Title: *Vice President*

Address: 100 Lake Drive
Pencader Corporate Center
Suite 4
Newark, DE 19702
Fax: (302) 292-3972
Attention: Henry Nassau

With a copy to:

Internet Capital Group, Inc.
~~Building 600~~ *Suite 310*
~~435 Deven Park Drive~~ *690 Loc Road*
Wayne, PA 19087-1945
Fax: ~~(610) 989-0112~~ *610-727-6900*
Attention: ~~Henry Nassau~~ *Suzanne Niemeyer*

With a copy to:

Wilson Sonsini Goodrich & Rosati
650 Page Mill Road
Palo Alto, CA 94304
Fax: (650) 493-6811
Attention: Elizabeth Flint

ZERO STAGE CAPITAL VI, L.P.

By: ZERO STAGE CAPITAL VI, L.P.
ASSOCIATES VI, LLC, its General Partner

By: Stan Fung
Name: Stan Fung
Title: Managing Director
Address: c/o Zero Stage Capital Co., Inc.
101 Main Street, 17th Floor
Cambridge, MA 02142

~~PRISM VENTURES PARTNERS II, L.P.~~

~~By: Prism Investment Partners II, L.P.
its General Partner~~

~~By: Prism Venture Partners II, L.L.C.
its General Partner~~

~~By: _____
Title: Managing Director
Address: 100 Lowder Brook Drive
Suite 2500
Westwood, MA 02090~~

~~PRISM VENTURES PARTNERS II-A, L.P.~~



~~By: Prism Investment Partners II-A, L.L.C.
its General Partner~~

~~By: _____
Title: Managing Director
Address: 100 Lowder Brook Drive
Suite 2500
Westwood, MA 02090~~

TL VENTURES III, L.P.

By: TL Ventures III Management L.P., its general partner

By: TL Ventures III General Partner L.P., its general partner

By:   _____

Name:

Title:

Address: c/o TL Ventures LLC
700 The Safeguard Building
435 Devon Park Drive
Wayne, PA 19087



With a copy to:

Pepper Hamilton LLP
3000 Two Logan Square
Philadelphia, PA 19103
Fax: (215) 981-4750
Attention: Lisa R. Jacobs

TL VENTURES III OFFSHORE L.P.

By: TL Ventures III Offshore Partners L.P., its general partner

By: TL Ventures III Offshore Partners Ltd., its general partner

By:   _____

Name:

Title:

Address: c/o Trident Trust Company Ltd.
P.O. Box 847
One Capital Place
Fourth Floor
Grand Cayman, Cayman Islands

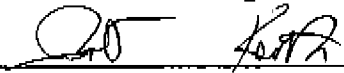
With a copy to:

Pepper Hamilton LLP
3000 Two Logan Square
Philadelphia, PA 19103
Fax: (215) 981-4750
Attention: Lisa R. Jacobs

TL VENTURES III INTERFUND L.P.

By: TL Ventures III General Partner L.P., its general partner

By: TL Ventures Manager III LLC, its general partner

By:  _____

Name:

Title:

Address: c/o TL Ventures LLC
700 The Safeguard Building
435 Devon Park Drive
Wayne, PA 19087

With a copy to:

Pepper Hamilton LLP
3000 Two Logan Square
Philadelphia, PA 19103
Fax: (215) 981-4750
Attention: Lisa R. Jacobs

CAMBRIDGE TECHNOLOGY CAPITAL FUND I L.P.

By: Cambridge Technology, GPLP, L.P.

By: Cambridge Technology CGP, Inc.

By: *Ralph T. Linsalata*

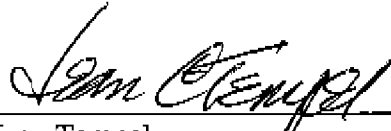
Name: Ralph T. Linsalata

Title: Managing Director

Address: c/o Novell, Inc.

8 Cambridge Center

Cambridge, MA 02142



Jean Tempel
Address: 95 Carlton Street
Brookline, MA 02446

SCHEDULE 1

Liens

<u>Secured Party</u>	<u>Dated UCC-1 Filed</u>	<u>Company Asset</u>
Sun Microsystems Finance 1400 Computer Drive Westboro, MA 01581	December 21, 2001	computer hardware
Ameritech Credit Corporation (now SBC Capital) 2550 West Golf Road Rolling Meadows, IL 6008	September 28, 2000, an amendment filed on February 27, 2001	CISCO Routers
C.I.T. Communications Finance (now Expanets) 2 Gatehall Drive Parsippany, NJ 07054	November 22, 2000	phone and voicemail systems
ICG Holdings, Inc. 100 Lake Drive Pencader Corporate Center, Suite 4 Newark, DE 19702	February 22, 2002	Collateral, as defined in Security Agreement dated February 22, 2002
TL Ventures III, L.P. c/o TL Ventures LLC 700 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087-1945	February 22, 2002	Collateral, as defined in Security Agreement dated February 22, 2002
TL Ventures III Offshore L.P. c/o Trident Trust Company P.O. Box 847 One Capital Place, Fourth Floor Grand Cayman, Cayman Islands	February 22, 2002	Collateral, as defined in Security Agreement dated February 22, 2002
TL Ventures Interfund L.P. c/o TL Ventures LLC 700 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087-1945	February 22, 2002	Collateral, as defined in Security Agreement dated February 22, 2002

<u>Secured Party</u>	<u>Dated UCC-1 Filed</u>	<u>Company Asset</u>
Zero Stage Capital VI, L.P. c/o Zero Stage Capital Co., Inc. 101 Main Street, 17th Floor Cambridge, MA 02142	February 22, 2002	Collateral, as defined in Security Agreement dated February 22, 2002
Prism Venture Partners II, L.P. 100 Lowder Brook Drive, Suite 2500 Westwood, MA 02090	February 22, 2002	Collateral, as defined in Security Agreement dated February 22, 2002
BancBoston Ventures Inc. 175 Federal Street Mail Stop 75-10-01 Boston, MA 02110	February 22, 2002	Collateral, as defined in Security Agreement dated February 22, 2002
Cambridge Technology Capital Fund I L.P. c/o Novell, Inc. 8 Cambridge Center Cambridge, MA 02142	February 22, 2002	Collateral, as defined in Security Agreement dated February 22, 2002
ICG Holdings, Inc. 100 Lake Drive Pencader Corporate Center, Suite 4 Newark, DE 19702	February 28, 2003	Collateral, as defined in Security Agreement dated February 28, 2003
TL Ventures III, L.P. c/o TL Ventures LLC 700 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087-1945	February 28, 2003	Collateral, as defined in Security Agreement dated February 28, 2003
TL Ventures III Offshore L.P. c/o Trident Trust Company P.O. Box 847 One Capital Place, Fourth Floor Grand Cayman, Cayman Islands	February 28, 2003	Collateral, as defined in Security Agreement dated February 28, 2003
TL Ventures Interfund L.P. c/o TL Ventures LLC 700 The Safeguard Building	February 28, 2003	Collateral, as defined in Security Agreement dated

<u>Secured Party</u>	<u>Dated UCC-1 Filed</u>	<u>Company Asset</u>
435 Devon Park Drive Wayne, PA 19087-1945		February 28, 2003
Zero Stage Capital VI, L.P. c/o Zero Stage Capital Co., Inc. 101 Main Street, 17th Floor Cambridge, MA 02142	February 28, 2003	Collateral, as defined in Security Agreement dated February 28, 2003
Prism Venture Partners II, L.P. 100 Lowder Brook Drive, Suite 2500 Westwood, MA 02090	February 28, 2003	Collateral, as defined in Security Agreement dated February 28, 2003
Jean Tempel [need address]	February 28, 2003	Collateral, as defined in Security Agreement dated February 28, 2003
Cambridge Technology Capital Fund I L.P. c/o Novell, Inc. 8 Cambridge Center Cambridge, MA 02142	February 28, 2003	Collateral, as defined in Security Agreement dated February 28, 2003

SCHEDULE 2

United States Patent and Trademark Office
Trademark Application and Registrations

<u>Trademark</u>	<u>App. No.</u>	<u>Reg. No.</u>
SYNCRA	76/321,847	2,665,986
SYNCRA	76/322,217	2,642,520
SYNCRA CT	75,472,623	2,419,595
SYNCRA SYSTEMS	75/828,683	

SCHEDULE 3(g)

Deposit, Commodity and Security Accounts

<u>Institution</u>	<u>Account Number</u>
Silicon Valley Bank (COD)	8800057401
Silicon Valley Bank (Checking)	3300110260
Morgan Stanley (Investment)	32-78P43
Silicon Valley Bank (COD)*	8800057433
HSBC (UK)	41204157
HSBC (UK)	51218212
HSBC (UK)	57408861
HSBC (UK)	339601996

*CD is backed by a letter of credit with Silicon Valley Bank which represents a security deposit for the Company's office lease.

SCHEDULE 3(h)

Jurisdiction of Incorporation, Office Locations, Fictitious Names

- A) The Company is incorporated in Massachusetts. The Company's chief place of business and the chief executive office of the Company is located at 716 Main Street, Waltham, MA 02451. The Company also has places of business in the United Kingdom, Syncra Systems, Ltd., Abbey House, 18-24 Stoke Road, Slough, Berkshire, SL2 5AG, United Kingdom and in France, Syncra Systems France, 24 rue Jacques Ibert, 92300 Levallois Perret, France. All of the Company's books and records are kept by the Company at its offices in Waltham and London.
- B) From February 11, 1998 to March 16, 1998, the name of the Company was "Collabtech, Inc." From March 16, 1998 to November 22, 1999, the name of the Company was "Syncra Software, Inc."