

03-26-2004



FORM PTO-1594  
(Rev. 6-93)

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

To the Honorable Commissioner of F  
thereof.

OFFICE

102704762

RECORDS

the attached original documents or copy

1. Name of conveying party(ies): Connexn Technologies, Inc.  
 2004 MAR 24 AM 11:40  
 3/24/04 FINANCE SECTION

Individual(s)       Association

General Partnership     Limited Partnership  
 Corporation-State Delaware  
 Other \_\_\_\_\_

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

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

Execution Date: February 20, 2004

2. Name and address of receiving party(ies):

Name: See Attached List

Internal Address: \_\_\_\_\_

Street Address: See Attached List

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP \_\_\_\_\_

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State See Attached List  
 Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached:  
 Yes     No

(Designation must be a separate document from Assignment).  
 Additional name(s) & address(es) attached?  Yes     No

4. Application number(s) or registration number(s):  
 A. Trademark Application No.(s) 75/935,662 and 75/935,663

Additional numbers attached?  Yes     No

B. Trademark Registration No.(s) 2,081,168 and 2,788,270

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

Name: Cooley Godward LLP

Internal Address: Attn: Keith J. Berets, Esq.

Street Address: 380 Interlocken Crescent, Suite 900

City: Broomfield State: Colorado ZIP 80021

6. Total number of applications and registration involved:  
4

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

Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number:  
 \_\_\_\_\_

(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.*

Keith J. Berets, Esq.      March 19, 2004  
 \_\_\_\_\_      Date

Total number of pages including cover sheet, attachments, and document: 38

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

TRADEMARK  
REEL: 002936 FRAME: 0830

03/26/2004 00000085 75935663  
40.0000  
75.0000  
01 FC:0521  
02 FC:0522

**SCHEDULE OF SECURED PARTIES**

<b>PARTY:</b>	<b>STATE OF INCORPORATION:</b>
<b>ADVENT ENERGY II LIMITED PARTNERSHIP</b> 525 University Avenue, Suite 700 Palo Alto, CA 94301	<b>Delaware</b>
<b>DIGITAL MEDIA &amp; COMMUNICATIONS III LIMITED PARTNERSHIP</b> 525 University Avenue, Suite 700 Palo Alto, CA 94301	<b>Delaware</b>
<b>DIGITAL MEDIA &amp; COMMUNICATIONS III-A LIMITED PARTNERSHIP</b> 525 University Avenue, Suite 700 Palo Alto, CA 94301	<b>Delaware</b>
<b>DIGITAL MEDIA &amp; COMMUNICATIONS III-B LIMITED PARTNERSHIP</b> 525 University Avenue, Suite 700 Palo Alto, CA 94301	<b>Delaware</b>
<b>DIGITAL MEDIA &amp; COMMUNICATIONS III-C LIMITED PARTNERSHIP</b> 525 University Avenue, Suite 700 Palo Alto, CA 94301	<b>Delaware</b>
<b>DIGITAL MEDIA &amp; COMMUNICATIONS III-D C.V.</b> 525 University Avenue, Suite 700 Palo Alto, CA 94301	<b>Delaware</b>
<b>DIGITAL MEDIA &amp; COMMUNICATIONS III-E C.V.</b> 525 University Avenue, Suite 700 Palo Alto, CA 94301	<b>Delaware</b>
<b>ADVENT PARTNERS DMC III LIMITED PARTNERSHIP</b> 525 University Avenue, Suite 700 Palo Alto, CA 94301	<b>Delaware</b>

<b>PARTY:</b> <b>SEQUEL LIMITED PARTNERSHIP II</b> 4430 Arapahoe Avenue, Suite 220 Boulder, CO 80303 Attn: Thomas Washing	<b>STATE OF INCORPORATION:</b> <b>Delaware</b>
<b>WOLF VENTURE FUND III, LP</b> 1600 Stout Street, Suite 1510 Denver, CO 80202 Attn: James P. Conboy III	<b>Delaware</b>
<b>WOLF VENTURE PARTNERS Co., LP</b> 1600 Stout Street, Suite 1510 Denver, CO 80202 Attn: James P. Conboy III	<b>Colorado</b>
<b>ADVANTAGE CAPITAL COLORADO PARTNERS I, LP</b> 1600 Stout Street, Suite 1510 Denver, CO 80202 Attn: James P. Conboy III	<b>Colorado</b>
<b>A.G. EDWARDS PRIVATE EQUITY PARTNERS QP, L.P. AND A.G. EDWARDS PRIVATE EQUITY PARTNERS, L.P., JOINTLY</b> One North Jefferson St. Louis, MO 63103 Attn: Christopher Redmond	
<b>WLD EQUITY PARTNERS 1999, LIMITED PARTNERSHIP</b> Las Olas Centre 450 East Las Olas Blvd., Suite 900 Ft. Lauderdale, FL 33301 Attn: Ronald A. Adelhelm	
<b>HEXAGON INVESTMENTS, LLC</b> 115 South 84th Street Milwaukee, WI 53214 Attn: Michael J. Hipp	

**PARTY:**

**SEQUEL ENTREPRENEURS' FUND II, LP**

4430 Arapahoe Avenue, Suite 220  
Boulder, CO 80303  
Attn: Thomas Washing

**STATE OF INCORPORATION:**

**Delaware**

**FOSTER & FOSTER**

2 Greenwich Plaza  
PO Box 1669  
Greenwich, CT 06836-1669  
Attn: Eric Bam

**GC&H INVESTMENTS**

Cooley Godward LLP  
One Maritime Plaza  
20<sup>th</sup> Floor  
San Francisco, CA 94111-3580  
Attn: James Kindler

**Delaware**

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of February 20, 2004 ("*Security Agreement*"), is made by CONNEX<sup>N</sup> TECHNOLOGIES, INC., a Delaware corporation ("*Grantor*"), in favor of the persons and entities listed on the Schedule of Secured Parties, attached hereto (each a "*Secured Parties*" and collectively the "*Secured Parties*").

### RECITALS

A. Pursuant to that certain Secured Note and Warrant Purchase Agreement dated as of February 20, 2004 (as the same may from time to time be amended, modified, supplemented or restated, the "*Purchase Agreement*"), by and between Grantor and the Secured Parties, the Secured Parties have agreed to make certain advances of money and to extend certain financial accommodation to Grantor as evidenced by certain Secured Convertible Promissory Notes (each, a "*Note*" and, collectively, the "*Notes*") dated the same date herewith, each made by Grantor and payable to the Secured Parties (such advances and financial accommodations, the "*Loans*").

B. Secured Parties are willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall have executed and delivered to Secured Parties this Security Agreement.

### AGREEMENT

NOW, THEREFORE, in order to induce Secured Parties to make the Loans and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, Grantor hereby represents, warrants, covenants and agrees as follows:

1. **DEFINED TERMS.** When used in this Security Agreement the following terms shall have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Purchase Agreement and in the Notes:

"*Bankruptcy Code*" means Title XI of the United States Code.

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

"*Contracts*" means all contracts (including any customer, vendor, supplier, service or maintenance contract), leases, licenses, undertakings, purchase orders, permits, franchise agreements or other agreements (other than any right evidenced by Chattel Paper, Documents or Instruments), whether in written or electronic form, in or under which Grantor now holds or hereafter acquires any right, title or interest, including, without limitation, with respect to an Account, any agreement relating to the terms of payment or the terms of performance thereof.

1.

**"Copyright License"** means any agreement, whether in written or electronic form, in which Grantor now holds or hereafter acquires any interest, granting any right in or to any Copyright or Copyright registration (whether Grantor is the licensee or the licensor thereunder) including, without limitation, licenses pursuant to which Grantor has obtained the exclusive right to use a copyright owned by a third party.

**"Copyrights"** means all of the following now owned or hereafter acquired or created (as a work for hire for the benefit of Grantor) by Grantor or in which Grantor now holds or hereafter acquires or receives any right or interest, in whole or in part: (a) all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, any State thereof or any other country; (b) registrations, applications, recordings and proceedings in the United States Copyright Office or in any similar office or agency of the United States, any State thereof or any other country; (c) any continuations, renewals or extensions thereof; (d) any registrations to be issued in any pending applications, and shall include any right or interest in and to work protectable by any of the foregoing which are presently or in the future owned, created or authorized (as a work for hire for the benefit of Grantor) or acquired by Grantor, in whole or in part; (e) prior versions of works covered by copyright and all works based upon, derived from or incorporating such works; (f) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to copyrights, including, without limitation, damages, claims and recoveries for past, present or future infringement; (g) rights to sue for past, present and future infringements of any copyright; and (h) any other rights corresponding to any of the foregoing rights throughout the world.

**"Event of Default"** means (a) any failure by Grantor forthwith to pay or perform any of the Secured Obligations, (b) any report, information or notice made to, obtained or received by Secured Parties at any time after the date hereof indicating that Secured Parties' security interest is not prior to all other security interests or other interests reflected in such report, information or notice, except as a result of any Permitted Lien or as otherwise permitted hereunder, (c) any breach by Grantor of any warranty, representation, or covenant set forth herein in any material respect, and (d) any "Event of Default" as defined in the Notes.

**"License"** means any Copyright License, Patent License, Trademark License or other license of rights or interests, whether in-bound or out-bound, whether in written or electronic form, now or hereafter owned or acquired or received by Grantor or in which Grantor now holds or hereafter acquires or receives any right or interest, and shall include any renewals or extensions of any of the foregoing thereof.

**"Lien"** means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

**"Patent License"** means any agreement, whether in written or electronic form, in which Grantor now holds or hereafter acquires any interest, granting any right with respect to any invention on which a Patent is in existence (whether Grantor is the licensee or the licensor thereunder).

**"Patents"** means all of the following in which Grantor now holds or hereafter acquires any interest: (a) all letters patent of the United States or any other country, all registrations and recordings thereof and all applications for letters patent of the United States or any other country, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country; (b) all reissues, divisions, continuations, renewals, continuations-in-part or extensions thereof; (c) all petty patents, divisionals and patents of addition; (d) all patents to issue in any such applications; (e) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to patents, including, without limitation, damages, claims and recoveries for past, present or future infringement; and (f) rights to sue for past, present and future infringements of any patent.

**"Permitted Lien"** means: (a) any Liens existing on the date of this Security Agreement and set forth on Schedule A attached hereto; (b) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings, provided the same have no priority over any of Secured Parties' security interests; (c) Liens (i) upon or in any Equipment acquired or held by Grantor to secure the purchase price of such Equipment or indebtedness incurred solely for the purpose of financing the acquisition of such Equipment or (ii) existing on such Equipment at the time of its acquisition, provided that the Lien is confined solely to the Equipment so acquired, improvements thereon and the Proceeds of such Equipment; (d) leases or subleases and licenses or sublicenses granted to others in the ordinary course of Grantor's business if such are otherwise permitted under this Security Agreement and do not interfere in any material respect with the business of Grantor; (e) any right, title or interest of a licensor under a license provided that such license or sublicense does not prohibit the grant of the security interest granted hereunder; (f) Liens arising from judgments, decrees or attachments; (g) easements, reservations, rights-of-way, restrictions, minor defects or irregularities in title and other similar Liens affecting real property not interfering in any material respect with the ordinary conduct of the business of Grantor; (h) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; (i) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; (j) Liens securing capital lease obligations on assets subject to such capital leases including sale and lease-back transactions otherwise permitted under this Security Agreement and Liens on equipment leased by Grantor pursuant to an operating lease in the ordinary course of Grantor's business (including proceeds thereof and accessions thereto), all incurred solely for the purpose of financing the lease of such equipment (including Liens arising from UCC financing statements regarding such leases); (k) Liens securing any Senior Indebtedness (as permitted under the Notes); (l) Liens, not otherwise permitted, which Liens do not in the aggregate exceed \$50,000 at any one time; and (m) Liens incurred in connection with the extension, renewal or refinancing of the indebtedness secured by Liens of the type described in clauses (a), (c), (j) or (k) above, provided that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness being extended, renewed or refinanced does not increase.

**"Secured Obligations"** means (a) the obligation of Grantor to repay Secured Parties all of the unpaid principal amount of, and accrued interest on (including any interest that accrues after the commencement of bankruptcy), the Loans, (b) the obligation of Grantor to pay any fees, costs and expenses of Secured Parties under the Notes or under Section 6(d) hereof and (c) all other indebtedness, liabilities and obligations of Grantor to Secured Parties, whether now existing or hereafter incurred, and whether created under, arising out of or in connection with any written agreement or otherwise.

**"Security Agreement"** means this Security Agreement and all Schedules hereto, as the same may from time to time be amended, modified, supplemented or restated.

**"Trademark License"** means any agreement, whether in written or electronic form, in which Grantor now holds or hereafter acquires any interest, granting any right in and to any Trademark or Trademark registration (whether Grantor is the licensee or the licensor thereunder).

**"Trademarks"** means any of the following in which Grantor now holds or hereafter acquires any interest: (a) any trademarks, tradenames, corporate names, company names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country (collectively, the **"Marks"**); (b) any reissues, extensions or renewals thereof; (c) the goodwill of the business symbolized by or associated with the Marks; (d) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to the Marks, including, without limitation, damages, claims and recoveries for past, present or future infringement; and (e) rights to sue for past, present and future infringements of the Marks.

**"UCC"** means the Uniform Commercial Code as the same may from time to time be in effect in the State of Colorado (and each reference in this Security Agreement to an Article thereof (denoted as a Division of the UCC as adopted and in effect in the State of Colorado) shall refer to that Article (or Division, as applicable) as from time to time in effect); *provided, however*, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of Secured Parties' security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of Colorado, the term **"UCC"** shall mean the Uniform Commercial Code (including the Articles thereof) as in effect at such time in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

In addition, the following terms shall be defined terms having the meaning set forth for such terms in the UCC: "Account" (including health-care-insurance receivables), "Account Debtor," "Chattel Paper" (including tangible and electronic chattel paper), "Commercial Tort Claims," "Commodity Account," "Deposit Account," "Documents," "Equipment" (including all



accessions and additions thereto), "Fixtures," "General Intangible" (including payment intangibles and software), "Instrument," "Intellectual Property," "Inventory" (including all goods held for sale or lease or to be furnished under a contract of service, and including returns and repossessions), "Investment Property" (including securities and securities entitlements), "Letter-of-Credit Right" (whether or not the letter of credit is evidenced by a writing), "Payment Intangibles," "Proceeds," "Promissory Notes," "Securities Account," and "Supporting Obligations." Each of the foregoing defined terms shall include all of such items now owned, or hereafter acquired, by Grantor.

**2. GRANT OF SECURITY INTEREST.** As collateral security for the full, prompt, complete and final payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all the Secured Obligations and in order to induce Secured Parties to cause the Loans to be made, Grantor hereby assigns, conveys, mortgages, pledges, hypothecates and transfers to Each Secured Party, and hereby grants to Each Secured Party, a security interest in all of Grantor's right, title and interest in, to and under the following, whether now owned or hereafter acquired, (all of which being collectively referred to herein as the "*Collateral*"):

- (a) All Accounts of Grantor;
- (b) All Chattel Paper of Grantor;
- (c) All Commercial Tort Claims of Grantor;
- (d) All Contracts of Grantor;
- (e) All Deposit Accounts of Grantor;
- (f) All Documents of Grantor;
- (g) All Equipment of Grantor;
- (h) All Fixtures of Grantor;
- (i) All General Intangibles of Grantor, including, without limitation, Payment Intangibles, all Copyrights, Patents, Trademarks, Licenses, designs, drawings, technical information, marketing plans, customer lists, trade secrets, proprietary or confidential information, inventions (whether or not patentable), procedures, know-how, models and data;
- (j) All Instruments of Grantor, including, without limitation, Promissory Notes;
- (k) All Inventory of Grantor;
- (l) All Investment Property of Grantor;
- (m) All Letter-of Credit Rights of Grantor;

5.

(n) All Supporting Obligations of Grantor;

(o) All property of Grantor held by a Secured Party, or any other party for whom a Secured Party is acting as agent hereunder, including, without limitation, all property of every-description now or hereafter in the possession or custody of or in transit to a Secured Party or such other party for any purpose, including, without limitation, safekeeping, collection or pledge, for the account of Grantor, or as to which Grantor may have any right or power;

(p) All other goods and personal property of Grantor, wherever located, whether tangible or intangible, and whether now owned or hereafter acquired, existing, leased or consigned by or to Grantor; and

(q) To the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for and rents, profits and products of each of the foregoing.

Notwithstanding the foregoing provisions of this Section 2, the grant, assignment and transfer of a security interest as provided herein shall not extend to, and the term "*Collateral*" shall not include: (a) "intent-to-use" trademarks at all times prior to the first use thereof, whether by the actual use thereof in commerce, the recording of a statement of use with the United States Patent and Trademark Office or otherwise or (b) any Contract, Instrument or Chattel Paper in which Grantor has any right, title or interest if and to the extent such Contract, Instrument or Chattel Paper includes a provision containing a restriction on assignment such that the creation of a security interest in the right, title or interest of Grantor therein would be prohibited and would, in and of itself, cause or result in a default thereunder enabling another person party to such Contract, Instrument or Chattel Paper to enforce any remedy with respect thereto; *provided* that the foregoing exclusion shall not apply if (i) such prohibition has been waived or such other person has otherwise consented to the creation hereunder of a security interest in such Contract, Instrument or Chattel Paper or (ii) such prohibition would be rendered ineffective pursuant to Sections 9-407(a) or 9-408(a) of the UCC, as applicable and as then in effect in any relevant jurisdiction, or any other applicable law (including the Bankruptcy Code) or principles of equity); *provided further* that immediately upon the ineffectiveness, lapse or termination of any such provision, the Collateral shall include, and Grantor shall be deemed to have granted a security interest in, all its rights, title and interests in and to such Contract, Instrument or Chattel Paper as if such provision had never been in effect; and *provided further that* the foregoing exclusion shall in no way be construed so as to limit, impair or otherwise affect any Secured Party's unconditional continuing security interest in and to all rights, title and interests of Grantor in or to any payment obligations or other rights to receive monies due or to become due under any such Contract, Instrument or Chattel Paper and in any such monies and other proceeds of such Contract, Instrument or Chattel Paper.

### 3. RIGHTS OF SECURED PARTIES; COLLECTION OF ACCOUNTS.

(a) Notwithstanding anything contained in this Security Agreement to the contrary, Grantor expressly agrees that it shall remain liable under each of its Contracts and each of its Licenses to observe and perform all the conditions and obligations to be observed and

6.

performed by it thereunder and that it shall perform all of its duties and obligations thereunder, all in accordance with and pursuant to the terms and provisions of each such Contract or License. No Secured Party shall have any obligation or liability under any Contract or License by reason of or arising out of this Security Agreement or the granting to Secured Parties of a lien therein or the receipt by Secured Parties of any payment relating to any Contract or License pursuant hereto, nor shall any Secured Party be required or obligated in any manner to perform or fulfill any of the obligations of Grantor under or pursuant to any Contract or License, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Contract or License, or to present or file any claim, or to take any action to collect or enforce any performance or 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) Secured Parties authorize Grantor to collect its Accounts, provided that such collection is performed in a prudent and businesslike manner, and Secured Parties may, upon the occurrence and during the continuation of any Event of Default and without notice, limit or terminate said authority at any time. Upon the occurrence and during the continuance of any Event of Default, at the request of Secured Parties, Grantor shall deliver all original and other documents evidencing and relating to the performance of labor or service which created such Accounts, including, without limitation, all original orders, invoices and shipping receipts.

(c) Secured Parties may at any time, upon the occurrence and during the continuance of any Event of Default, without notifying Grantor of their intention to do so, notify Account Debtors of Grantor, parties to the Contracts of Grantor, obligors in respect of Instruments of Grantor and obligors in respect of Chattel Paper of Grantor that the Accounts and the right, title and interest of Grantor in and under such Contracts, Instruments and Chattel Paper have been assigned to Secured Parties and that payments shall be made directly to Secured Parties. Upon the request of Secured Parties, Grantor shall so notify such Account Debtors, parties to such Contracts, obligors in respect of such Instruments and obligors in respect of such Chattel Paper. Upon the occurrence and during the continuance of any Event of Default, Secured Parties may, in their names or in the name of others, communicate with such Account Debtors, parties to such Contracts, obligors in respect of such Instruments and obligors in respect of such Chattel Paper to verify with such parties, to Secured Parties' satisfaction, the existence, amount and terms of any such Accounts, Contracts, Instruments or Chattel Paper.

**4. REPRESENTATIONS AND WARRANTIES.** Grantor hereby represents and warrants to Secured Parties that:

(a) Except for the security interest granted to Secured Parties under this Security Agreement and Permitted Liens, Grantor is the sole legal and equitable owner of or has the power to transfer or, as to Intellectual Property licensed from other persons, licenses each item of the Collateral in which it purports to grant a security interest hereunder, having good and marketable title thereto or the power to transfer, free and clear of any and all Liens except for Permitted Liens.

7.

**(b)** No effective security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Collateral exists, except such as may have been filed by Grantor in favor of Secured Parties pursuant to this Security Agreement and except for Permitted Liens.

**(c)** This Security Agreement creates a legal and valid security interest on and in all of the Collateral in which Grantor now has rights, and all filings and other actions necessary or desirable to perfect such security interest have been duly taken. Accordingly, upon the proper filing of a Financing Statement on Form UCC-1, Secured Parties have a fully perfected first priority security interest in all of the Collateral in which Grantor now has rights subject only to Permitted Liens. This Security Agreement will create a legal and valid and fully perfected first priority security interest in the Collateral in which Grantor later acquires rights, when Grantor acquires those rights subject only to Permitted Liens.

**(d)** Grantor's taxpayer identification number is, and chief executive office, principal place of business, and the place where Grantor maintains its records concerning the Collateral are presently located at the address set forth on the signature page hereof. If Grantor is a corporation, limited liability company, limited partnership, corporate trust or other registered organization, the State (or if not a state, the other jurisdiction) under whose law such registered organization was organized is set forth on the signature page hereof. The Collateral, other than Deposit Accounts, Securities Accounts, Commodity Accounts and motor vehicles and other mobile goods, is presently located at such address and at such additional addresses set forth on Schedule B attached hereto.

**(e)** All Collateral of Grantor existing as of the date hereof with respect to which a security interest may be perfected by the Secured Party's taking possession thereof, including, without limitation, all Chattel Paper, Instruments or Investment Property comprising certificated securities is set forth on Schedule C attached hereto. All action necessary or desirable to protect and perfect such security interest in each item set forth on Schedule C, including the delivery of all originals thereof, duly endorsed to Secured Party, has been duly taken. The security interest of Secured Party in Grantor's Collateral listed on Schedule C is prior in right and interest to all other Liens (other than Permitted Liens) and is enforceable as such against creditors of and purchasers from Grantor.

**(f)** The name and address of each depository institution at which Grantor maintains any Deposit Account and the account number and account name of each such Deposit Account is listed on Schedule D attached hereto. The name and address of each securities intermediary or commodity intermediary at which Grantor maintains any Securities Account or Commodity Account and the account number and account name is listed on Schedule D attached hereto. Grantor agrees to amend Schedule D from time to time within five (5) business days after opening any additional Deposit Account, Securities Account or Commodity Account, or closing or changing the account name or number on any existing Deposit Account, Securities Account, or Commodity Account.

**(g)** Grantor is the sole holder of record and the sole beneficial owner of all certificated securities and uncertificated securities pledged to Secured Parties by Grantor under

Section 2 of this Security Agreement, free and clear of any adverse claim, as defined in Section 8102(a)(1) of the UCC, except for the Lien created in favor of Secured Parties by this Security Agreement.

(h) None of the Investment Property of Grantor has been transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such transfer may be subject.

(i) All registered Copyrights, registered Copyright Licenses, Patents, Patent Licenses, registered Trademarks and registered Trademark Licenses now owned, held or in which Grantor otherwise has any interest are listed on Schedule E attached hereto. Grantor shall amend Schedule E from time to time within twenty (20) business days after the filing of any application for a Patent, Trademark or Copyright or the issuance of any Patent or registration of any Trademark or Copyright to reflect any additions to or deletions from this list. Except as set forth on Schedule E, none of the Patents, Trademarks or Copyrights has been licensed to any third party.

5. **COVENANTS.** Grantor covenants and agrees with Secured Parties that from and after the date of this Security Agreement and until the Secured Obligations have been performed and paid in full:

(a) **Disposition of Collateral.** Grantor shall not sell, lease, transfer or otherwise dispose of any of the Collateral, or attempt or contract to do so, other than (a) the sale of Inventory, (b) the granting of non-exclusive Licenses and (c) the disposal of worn-out or obsolete Equipment, all in the ordinary course of Grantor's business.

(b) **Change of Jurisdiction of Organization, Relocation of Business or Collateral.** Grantor shall not change its jurisdiction of organization, relocate its chief executive office, principal place of business or its records, or allow the relocation of any Collateral (except as allowed pursuant to Section 5.1 immediately above) from such address(es) provided to Secured Parties pursuant to Section 4(d) above without thirty (30) days prior written notice to Secured Parties.

(c) **Limitation on Liens on Collateral.** Grantor shall not, directly or indirectly, create, permit or suffer to exist, and shall defend the Collateral against and take such other action as is necessary to remove, any Lien on the Collateral, except (a) Permitted Liens and (b) the Lien granted to Secured Parties under this Security Agreement. Grantor shall further use commercially reasonable efforts to defend the right, title and interest of Secured Parties in and to any of Grantor's rights under the Chattel Paper, Contracts, Documents, General Intangibles, Instruments and Investment Property and to the Equipment and Inventory and in and to the Proceeds thereof against the claims and demands of all persons whomsoever, except for (a) Permitted Liens and (b) with respect to rights of the Secured Parties among themselves in such Collateral.

(d) **Insurance.** Maintain insurance policies insuring the Collateral against loss or damage from such risks and in such amounts and forms and with such companies as are customarily maintained by businesses similar to Grantor.

(e) **Taxes, Assessments, Etc.** Grantor shall pay promptly when due all property and other taxes, assessments and government charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment, Fixtures or Inventory, except to the extent the validity thereof is being contested in good faith and adequate reserves are being maintained in connection therewith.

(f) **Maintenance of Records.** Grantor shall keep and maintain at its own cost and expense satisfactory and complete records of the Collateral. Grantor shall not create any Chattel Paper without placing a legend on the Chattel Paper acceptable to Secured Parties indicating that Secured Parties have a security interest in the Chattel Paper.

(g) **Defense of Intellectual Property.** Grantor shall use commercially reasonable efforts to (a) protect, defend and maintain the validity and enforceability of the Copyrights, Patents and Trademarks, (b) detect infringements of the Copyrights, Patents and Trademarks and promptly advise Secured Parties in writing of material infringements detected and (c) not allow any Copyrights, Patents or Trademarks to be abandoned, forfeited or dedicated to the public without the written consent of Secured Parties unless reasonable business practice would determine that any such abandonment is appropriate.

(h) **Further Assurances; Pledge of Instruments.** At any time and from time to time, upon the written request of Secured Parties, and at the sole expense of Grantor, Grantor shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as Secured Parties may reasonably deem necessary or desirable to obtain the full benefits of this Security Agreement, including, without limitation, (a) using its best efforts to secure all consents and approvals necessary or appropriate for the grant of a security interest consistent herewith to Secured Parties in any Contract held by Grantor or in which Grantor has any right or interest not heretofore assigned, (b) executing, delivering and causing to be filed any financing or continuation statements (including "in lieu" continuation statements) under the UCC with respect to the security interests granted hereby, (c) transferring Grantor's Collateral to Secured Parties' possession (if a security interest in such Collateral can be perfected by possession), (d) at Secured Parties' reasonable request, placing the interest of Secured Parties as lienholder on the certificate of title (or similar evidence of ownership) of any vehicle, watercraft or other Equipment constituting Collateral owned by Grantor which is covered by a certificate of title (or similar evidence of ownership), (e) at Secured Parties' reasonable request, executing and delivering or causing to be delivered written notice to insurers of Secured Parties' security interest in, or claim in or under, any policy of insurance (including unearned premiums) and (g) at Secured Parties' reasonable request, using its best efforts to obtain acknowledgments from bailees having possession of any Collateral and waivers of liens from landlords and mortgagees of any location where any of the Collateral may from time to time be stored or located. Grantor also hereby authorizes Secured Parties to file any such financing or continuation statement (including "in lieu" continuation statements) without the signature of Grantor. If any amount payable under or in connection with any of the Collateral is

or shall become evidenced by any Instrument, such Instrument, other than checks and notes received in the ordinary course of business and any Instrument in the outstanding or stated amount of less than \$25,000, shall be duly endorsed in a manner reasonably satisfactory to Secured Parties and delivered to Secured Parties promptly and in any event within five (5) business days of Grantor's receipt thereof.

## **6. RIGHTS AND REMEDIES UPON DEFAULT.**

(a) Following any Event of Default and while such Event of Default is continuing, Secured Parties may exercise in addition to all other rights and remedies granted to them under this Security Agreement, the Notes and under any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of Secured Parties under the UCC. Without limiting the generality of the foregoing, Grantor expressly agrees that in any such event Secured Parties, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Grantor or any other person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the UCC and other applicable law), may (i) reclaim, take possession, recover, store, maintain, finish, repair, prepare for sale or lease, shop, advertise for sale or lease and sell or lease (in the manner provided herein) the Collateral, and in connection with the liquidation of the Collateral and collection of the accounts receivable pledged as Collateral, use any Trademark, Copyright, or process used or owned by Grantor and (ii) forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and may forthwith sell, lease, assign, give an option or options to purchase or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of Secured Parties' offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. To the extent Grantor has the right to do so, Grantor authorizes Secured Parties, on the terms set forth in this Section 6, to enter the premises where the Collateral is located, to take possession of the Collateral, or any part of it, and to pay, purchase, contact, or compromise any encumbrance, charge, or lien which, in the opinion of Secured Parties, appears to be prior or superior to its security interest. 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 said Collateral so sold, free of any right or equity of redemption, which equity of redemption Grantor hereby releases. Grantor further agrees, at Secured Parties' request, to assemble its Collateral and make it available to the Secured Parties at places which the Secured Parties shall reasonably select, whether at Grantor's premises or elsewhere. Secured Parties shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale as provided in Section 6(f), below, with Grantor remaining liable for any deficiency remaining unpaid after such application, and only after so paying over such net proceeds and after the payment by Secured Parties of any other amount required by any provision of law, need Secured Parties account for the surplus, if any, to Grantor. To the maximum extent permitted by applicable law, Grantor waives all claims, damages, and demands against Secured Parties arising out of the repossession, retention or sale of the Collateral. Grantor agrees that Secured Parties need not give more than ten (10) days' notice of the time and place of any public sale or of the

time after which a private sale may take place and that such notice is reasonable notification of such matters. Grantor shall remain liable for any deficiency if the proceeds of any sale or disposition of its Collateral are insufficient to pay all amounts to which Secured Parties is entitled from Grantor, Grantor also being liable for the attorney costs of any attorneys employed by Secured Parties to collect such deficiency.

(b) As to any Collateral constituting certificated securities or uncertificated securities, if, at any time when Secured Parties shall determine to exercise their right to sell the whole or any part of such Collateral hereunder, such Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under Securities Act of 1933, as amended (as so amended the "Act"), Secured Parties may, in their discretion (subject only to applicable requirements of law), sell such Collateral or part thereof by private sale in such manner and under such circumstances as Secured Parties may deem necessary or advisable, but subject to the other requirements of this Section 6(b), and shall not be required to effect such registration or cause the same to be effected. Without limiting the generality of the foregoing, in any such event Secured Parties may, in their sole discretion, (i) in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Collateral or part thereof could be or shall have been filed under the Act; (ii) approach and negotiate with a single possible purchaser to effect such sale; and (iii) restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its own account, for investment, and not with a view to the distribution or sale of such Collateral or part thereof. In addition to a private sale as provided above in this Section 6(b), if any of such Collateral shall not be freely distributable to the public without registration under the Act at the time of any proposed sale hereunder, then Secured Parties shall not be required to effect such registration or cause the same to be effected but may, in their sole discretion (subject only to applicable requirements of law), require that any sale hereunder (including a sale at auction) be conducted subject to such restrictions as Secured Parties may, in their sole discretion, deem necessary or appropriate in order that such sale (notwithstanding any failure so to register) may be effected in compliance with the Bankruptcy Code and other laws affecting the enforcement of creditors' rights and the Act and all applicable state securities laws.

(c) Grantor agrees that in any sale of any of such Collateral, whether at a foreclosure sale or otherwise, Secured Parties are hereby authorized to comply with any limitation or restriction in connection with such sale as they may be advised by counsel is necessary in order to avoid any violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications and restrict such prospective bidders and purchasers to persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral), or in order to obtain any required approval of the sale or of the purchaser by any governmental authority, and Grantor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall Secured Parties be liable nor accountable to Grantor for any discount allowed by the reason of the fact that such Collateral is sold in compliance with any such limitation or restriction.



(d) Grantor also agrees to pay all fees, costs and expenses of Secured Parties, including, without limitation, reasonable attorneys' fees, incurred in connection with the enforcement of any of their rights and remedies hereunder.

(e) Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

(f) The Proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be distributed by Secured Parties in the following order of priorities:

**FIRST**, to Secured Parties in an amount sufficient to pay in full the reasonable costs of Secured Parties in connection with such sale, disposition or other realization, including all fees, costs, expenses, liabilities and advances incurred or made by Secured Parties in connection therewith, including, without limitation, reasonable attorneys' fees;

**SECOND**, to Secured Parties in an amount equal to the then unpaid Secured Obligations; and

**FINALLY**, upon payment in full of the Secured Obligations, to Grantor or its representatives, in accordance with the UCC or as a court of competent jurisdiction may direct.

7. **INDEMNITY.** Grantor agrees to defend, indemnify and hold harmless Secured Parties and their officers, employees, and agents against (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Security Agreement and (b) all losses or expenses in any way suffered, incurred, or paid by Secured Parties as a result of or in any way arising out of, following or consequential to transactions between Secured Parties and Grantor, whether under this Security Agreement or otherwise (including without limitation, reasonable attorneys fees and expenses), except for losses arising from or out of Secured Parties' gross negligence or willful misconduct.

8. **LIMITATION ON SECURED PARTIES' DUTY IN RESPECT OF COLLATERAL.** Secured Parties shall be deemed to have acted reasonably in the custody, preservation and disposition of any of the Collateral if it takes such action as Grantor requests in writing, but failure of Secured Parties to comply with any such request shall not in itself be deemed a failure to act reasonably, and no failure of Secured Parties to do any act not so requested shall be deemed a failure to act reasonably.

9. **REINSTATEMENT.** This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's property and assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent

conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

**10. ACTIONS BY THE LENDERS AND AMENDMENTS.** All actions, omissions and decisions of the Secured Parties hereunder or any amendment of the Notes or this Security Agreement (each called herein "Act of the Secured Parties") shall be determined by and require the written consent of the individuals and entities holding Notes with 60% of the outstanding principal amount of and accrued interest on all Loans. Each Secured Party shall take such actions and execute such documents as may be necessary to confirm or accomplish any Act of the Secured Parties. Notwithstanding the foregoing, the consent of each affected Secured Party shall be necessary to do the following to any Note:

- (a) reduce the percentage of the principal and interest amount of Loans whose holders must consent to constitute an Act of the Secured Parties;
- (b) reduce the rate of or change the time for payment of interest on any Loan;
- (c) reduce the principal of or change the fixed maturity of any Loan; or
- (d) make any Loan payable in money other than the stated in the Notes.

**11. UNEQUAL PAYMENT BY GRANTOR.** Each Secured Party agrees that if it shall, through the exercise of any right granted to the Secured Parties under this Security Agreement, under the Notes or by applicable law, including, but not limited to any right of set-off, any secured claim under Section 506 of the Bankruptcy Code or any other security or interest arising from, or in lieu of such secured claim, and received by such Secured Parties under any applicable bankruptcy, insolvency or other similar law, or otherwise, obtain payment in respect of its Loan as a result of which the unpaid portion of its Loan is proportionally less than the unpaid portion of the Loans of the other Secured Parties, then (a) it shall promptly purchase at par (and shall be deemed to have thereupon purchased) from such other Secured Parties a participation in the Loans of each such other Secured Party, so that the amount of such Secured Party's Loan and the participation in the Loans of the other Secured Parties shall be in the same proportion to all Loans then outstanding as the amount of its Loan prior to the obtaining of such payment was to the amount of all Loans outstanding prior to the obtaining of such payment and (b) such other adjustments shall be made from time to time as shall be equitable to ensure that the Secured Parties share the benefits of such payment pro rata; provided that Grantor shall have no liability to any Secured Party as a result of any such action by another Secured Party. The term "Loan" as used in this paragraph shall include accrued interest thereon.

14.

**12. MISCELLANEOUS.**

**12.1 No Waiver; Cumulative Remedies.**

(a) Secured Parties shall not by any act, delay, omission or otherwise be deemed to have waived any of their respective rights or remedies hereunder, nor shall any single or partial exercise of any right or remedy hereunder on any one occasion preclude the further exercise thereof or the exercise of any other right or remedy.

(b) The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law.

(c) None of the terms or provisions of this Security Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by Grantor and Secured Parties.

**12.2 Termination of this Security Agreement.** Subject to Section 9 hereof, this Security Agreement shall terminate upon the payment and performance in full of the Secured Obligations.

**12.3 Successor and Assigns.** This Security Agreement and all obligations of Grantor hereunder shall be binding upon the successors and assigns of Grantor, and shall, together with the rights and remedies of Secured Parties hereunder, inure to the benefit of Secured Parties, any future holder of any of the indebtedness and their respective successors and assigns. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Secured Obligations or any portion thereof or interest therein shall in any manner affect the lien granted to Secured Parties hereunder.

**12.4 Governing Law.** In all respects, including all matters of construction, validity and performance, this Security Agreement and the Secured Obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of Colorado applicable to contracts made and performed in such state, without regard to the principles thereof regarding conflict of laws, except to the extent that the UCC provides for the application of the law of Grantor's jurisdiction of formation.

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

**ADDRESS OF GRANTOR**

**Connex<sup>®</sup> Technologies, Inc.**

10385 Westmoor Drive, Suite 205

By: \_\_\_\_\_

Westminster, CO 80021

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TAXPAYER IDENTIFICATION NUMBER OF GRANTOR**

**JURISDICTION OF ORGANIZATION OF GRANTOR**

84-1517553

**DELAWARE**

**ACCEPTED AND ACKNOWLEDGED BY:**

**SECURED PARTY**

GC&H Investments, LLC

By: 

Printed Name: John L. Cardoza

Title: Managing Member

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

**ADDRESS OF GRANTOR**

**Connex<sup>n</sup> Technologies, Inc.**

10385 Westmoor Drive, Suite 205

By: \_\_\_\_\_

Westminster, CO 80021

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TAXPAYER IDENTIFICATION NUMBER OF GRANTOR**

**JURISDICTION OF ORGANIZATION OF GRANTOR**

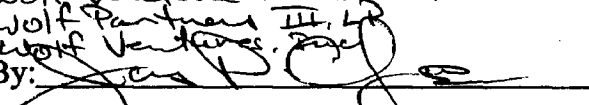
84-1517553

**DELAWARE**

**ACCEPTED AND ACKNOWLEDGED BY:**

**SECURED PARTY**

Wolf Venture Fund III, LP  
Wolf Partners III, LP  
Wolf Ventures, Inc.

By: 

Printed Name: Jim Conboy

Title: VP

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

**ADDRESS OF GRANTOR**

**Connex<sup>®</sup> Technologies, Inc.**

10385 Westmoor Drive, Suite 205

By: \_\_\_\_\_

Westminster, CO 80021

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TAXPAYER IDENTIFICATION NUMBER OF GRANTOR**

**JURISDICTION OF ORGANIZATION OF GRANTOR**

84-1517553

**DELAWARE**

**ACCEPTED AND ACKNOWLEDGED BY:**

**SECURED PARTY**

By: Wolf Venture Partners Co., LLP

By: Wolf Asset Mgmt. Corp, GP

Printed Name: David O. Wolf

Title: David O. Wolf, President

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

**ADDRESS OF GRANTOR**

10385 Westmoor Drive, Suite 205  
Westminster, CO 80021

**CONNEX<sup>N</sup> TECHNOLOGIES, INC.**

By: SMR  
Printed Name: Chief Operating Officer  
Title: Stan M. Bruny

**TAXPAYER IDENTIFICATION NUMBER OF GRANTOR**

84-1517553

**JURISDICTION OF ORGANIZATION OF GRANTOR**

**DELAWARE**

**ACCEPTED AND ACKNOWLEDGED BY:**

**SECURED PARTIES**

**A.G. EDWARDS PRIVATE EQUITY PARTNERS QP,  
L.P., AND A.G. EDWARDS PRIVATE EQUITY  
PARTNERS, L.P., JOINTLY**

By: A.G. Edwards Capital, Inc., their  
General Partner

By: \_\_\_\_\_

Name: Christopher B. Redmond  
Title: Vice President

**FOSTER & FOSTER**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

**ADDRESS OF GRANTOR**

**CONNEX<sup>N</sup> TECHNOLOGIES, INC.**

10385 Westmoor Drive, Suite 205

By: \_\_\_\_\_

Westminster, CO 80021

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TAXPAYER IDENTIFICATION NUMBER OF GRANTOR**

**JURISDICTION OF ORGANIZATION OF GRANTOR**

84-1517553

**DELAWARE**

**ACCEPTED AND ACKNOWLEDGED BY:**

**SECURED PARTIES**

**A.G. EDWARDS PRIVATE EQUITY PARTNERS QP,  
L.P., AND A.G. EDWARDS PRIVATE EQUITY  
PARTNERS, L.P., JOINTLY**

By: A.G. Edwards Capital, Inc., their  
General Partner

By: Christopher B. Redmond

Name: Christopher B. Redmond

Title: Vice President

**FOSTER & FOSTER**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_



IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

ADDRESS OF GRANTOR

10385 Westmoor Drive, Suite 205  
Westminster, CO 30021

CONNEX<sup>N</sup> TECHNOLOGIES, INC.

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

TAXPAYER IDENTIFICATION NUMBER OF GRANTOR

84-1517553

JURISDICTION OF ORGANIZATION OF GRANTOR

DELAWARE

ACCEPTED AND ACKNOWLEDGED BY:

SECURED PARTIES

A.G. EDWARDS PRIVATE EQUITY PARTNERS QP,  
L.P., AND A.G. EDWARDS PRIVATE EQUITY  
PARTNERS, L.P., JOINTLY

By: A.G. Edwards Capital, Inc., their  
General Partner

By: \_\_\_\_\_

Name: Christopher B. Redmond  
Title: Vice President

FOSTER & FOSTER, LLC

Signature:  \_\_\_\_\_

Print Name: Eric F. Bam \_\_\_\_\_

Title: Managing Member \_\_\_\_\_

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**GC&H INVESTMENTS**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**HEXAGON INVESTMENTS, LLC**

By:  \_\_\_\_\_

Name: ~~Michael J. Hipp~~ SCOTT J. REIMAN

Title: ~~Executive Vice~~ President

**SEQUEL LIMITED PARTNERSHIP II**

By: Sequel Venture Partners II, LLC

Its: General Partner

By: \_\_\_\_\_

Its: Manager

**SEQUEL ENTREPRENEURS' FUND II, L.P.**

By: Sequel Venture Partners II, LLC

Its: General Partner

By: \_\_\_\_\_

Its: Manager

**WLD EQUITY PARTNERS 1999,  
LIMITED PARTNERSHIP**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**GC&H INVESTMENTS**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**HEXAGON INVESTMENTS, LLC**

By: \_\_\_\_\_


Name: Michael J. Hipp

Title: Executive Vice President

**SEQUEL LIMITED PARTNERSHIP II**

By: Sequel Venture Partners II, LLC

Its: General Partner

By:  \_\_\_\_\_

Its: Manager

**SEQUEL ENTREPRENEURS' FUND II, L.P.**

By: Sequel Venture Partners II, LLC

Its: General Partner

By:  \_\_\_\_\_

Its: Manager

**WLD EQUITY PARTNERS 1999,  
LIMITED PARTNERSHIP**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**GC&H INVESTMENTS**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**HEXAGON INVESTMENTS, LLC**

By: \_\_\_\_\_

Name: Michael J. Hipp

Title: Executive Vice President

**SEQUEL LIMITED PARTNERSHIP II**

By: Sequel Venture Partners II, LLC

Its: General Partner

By: \_\_\_\_\_

Its: Manager

**SEQUEL ENTREPRENEURS' FUND II, L.P.**

By: Sequel Venture Partners II, LLC

Its: General Partner

By: \_\_\_\_\_

Its: Manager

**WLD EQUITY PARTNERS 1999,**

**LIMITED PARTNERSHIP**

By: WLD Equity Partners 1999, Inc., its general partner

Signature:  \_\_\_\_\_

Print Name: F. Melvin Burton

Title: Vice President

**WOLF VENTURE FUND III, LP**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**WOLF VENTURE PARTNERS CO., LP**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ADVANTAGE CAPITAL COLORADO PARTNERS I,  
L.P.**

Signature: Stephen J. Bordes

Print Name: STEPHEN J. BORDES

Title: PRINCIPAL

**ADVENT PARTNERS DMC III LIMITED  
PARTNERSHIP**

By: Advent International Corporation,  
General Partner

By: \_\_\_\_\_  
Its Vice President

**WOLF VENTURE FUND III, LP**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**WOLF VENTURE PARTNERS CO., LP**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ADVANTAGE CAPITAL COLORADO PARTNERS I,  
L.P.**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ADVENT PARTNERS DMC III LIMITED  
PARTNERSHIP**

By: Advent International Corporation  
General Partner

By:   
Its Vice President

**ADVENT ENERGY II LIMITED PARTNERSHIP**

**DIGITAL MEDIA & COMMUNICATIONS III  
LIMITED PARTNERSHIP**

**DIGITAL MEDIA & COMMUNICATIONS III-A  
LIMITED PARTNERSHIP**

**DIGITAL MEDIA & COMMUNICATIONS III-B  
LIMITED PARTNERSHIP**


**DIGITAL MEDIA & COMMUNICATIONS III-C  
LIMITED PARTNERSHIP**

**DIGITAL MEDIA & COMMUNICATIONS III-D C.V.**

**DIGITAL MEDIA & COMMUNICATIONS III-E C.V.**

By: Advent International Limited  
Partnership, General Partner

By: Advent International Corporation,  
General Partner

By:   
Its Vice President

**SCHEDULE OF SECURED PARTIES**

**ADVENT ENERGY II LIMITED PARTNERSHIP**

525 University Avenue, Suite 700  
Palo Alto, CA 94301

**DIGITAL MEDIA & COMMUNICATIONS**

**III LIMITED PARTNERSHIP**

525 University Avenue, Suite 700  
Palo Alto, CA 94301

**DIGITAL MEDIA & COMMUNICATIONS**

**III-A LIMITED PARTNERSHIP**

525 University Avenue, Suite 700  
Palo Alto, CA 94301

**DIGITAL MEDIA & COMMUNICATIONS**

**III-B LIMITED PARTNERSHIP**

525 University Avenue, Suite 700  
Palo Alto, CA 94301

**DIGITAL MEDIA & COMMUNICATIONS**

**III-C LIMITED PARTNERSHIP**

525 University Avenue, Suite 700  
Palo Alto, CA 94301

**DIGITAL MEDIA & COMMUNICATIONS**

**III-D C.V.**

525 University Avenue, Suite 700  
Palo Alto, CA 94301

**DIGITAL MEDIA & COMMUNICATIONS**

**III-E C.V.**

525 University Avenue, Suite 700  
Palo Alto, CA 94301

**ADVENT PARTNERS DMC III LIMITED  
PARTNERSHIP**

525 University Avenue, Suite 700  
Palo Alto, CA 94301



**SEQUEL LIMITED PARTNERSHIP II**  
4430 Arapahoe Avenue, Suite 220  
Boulder, CO 80303  
Attn: Thomas Washing

**WOLF VENTURE FUND III, LP**  
1600 Stout Street, Suite 1510  
Denver, CO 80202  
Attn: James P. Conboy III

**WOLF VENTURE PARTNERS CO., LP**  
1600 Stout Street, Suite 1510  
Denver, CO 80202  
Attn: James P. Conboy III

**ADVANTAGE CAPITAL COLORADO  
PARTNERS I, LP**  
1600 Stout Street, Suite 1510  
Denver, CO 80202  
Attn: James P. Conboy III

**A.G. EDWARDS PRIVATE EQUITY  
PARTNERS QP, L.P. AND  
A.G. EDWARDS PRIVATE EQUITY  
PARTNERS, L.P., JOINTLY**  
One North Jefferson  
St. Louis, MO 63103  
Attn: Christopher Redmond

**WLD EQUITY PARTNERS 1999,  
LIMITED PARTNERSHIP**  
Las Olas Centre  
450 East Las Olas Blvd., Suite 900  
Ft. Lauderdale, FL 33301  
Attn: Ronald A. Adelhelm

**HEXAGON INVESTMENTS, LLC**  
115 South 84th Street  
Milwaukee, WI 53214  
Attn: Michael J. Hipp

**SEQUEL ENTREPRENEURS' FUND II, LP**

4430 Arapahoe Avenue, Suite 220

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SCHEDULE A

**REDACTED**

**SCHEDULE B**

**REDACTED**

SCHEDULE C

**REDACTED**

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**REDACTED**

**SCHEDULE E**

**COPYRIGHTS, PATENTS, AND TRADEMARKS**

<b>MARK</b>	<b>COUNTRY</b>	<b>APPLICATION REGISTRATION</b>	<b>CLASS: GOODS/SERVICES</b>
THE CONNECTION	United States	Application No.75/101,750 Registration 2,081,168      No.	<u>Class 9</u> : Application development software for use by telephone companies for creating OSS integrated systems for transferring data between computers.
CONNEXN	United States	Application No.75/935,662	<u>Class 9</u> : Application software for use by telephone companies and other integrated telecommunications services providers that automates business processes by integrating Operational Support Systems (OSS) software applications and data bases with telecommunications network elements.
<b>CONNEX</b> <sup>TM</sup>	United States	Application      No. 75/935,663	<u>Class 9</u> : Application development software for use by telephone companies for creating OSS integrated systems for transferring data between computers.
DETECT, CORRECT, ENSURE	United States	Application      No. 76/428,544 Registration      No. 2,788,270	<u>Class 9</u> : Computer software for revenue assurance activities for use in the communications industry.

On May 9, 2002, the Company filed an application to register a copyright for "TC High Speed Audit Component."