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

RECOI TR

DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

<p>1. Name of conveying party(ies):</p> <p>M2M Data Corporation</p> <p><input type="checkbox"/> Individual(s)      <input type="checkbox"/> Association</p> <p><input type="checkbox"/> General Partnership      <input type="checkbox"/> Limited Partnership</p> <p><input checked="" type="checkbox"/> Corporation-State</p> <p><input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies)</p> <p>Name: QV 2000, LLC</p> <p>Internal Address: P.O. Box 209, Hygiene, CO 80533</p> <p>Street Address: 11797 N. 75th</p> <p>City: Longmont State: CO Zip: 80533</p> <p><input type="checkbox"/> Individual(s) citizenship _____</p> <p><input type="checkbox"/> Association _____</p> <p><input type="checkbox"/> General Partnership _____</p> <p><input type="checkbox"/> Limited Partnership _____</p> <p><input type="checkbox"/> Corporation-State _____</p> <p><input checked="" type="checkbox"/> Other Limited Liability Company</p> <p><small>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No (Designations must be a separate document from assignment)</small></p> <p>Additional name(s) &amp; address(es) attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment      <input type="checkbox"/> Merger</p> <p><input checked="" type="checkbox"/> Security Agreement      <input type="checkbox"/> Change of Name</p> <p><input type="checkbox"/> Other _____</p> <p>Execution Date: 02/20/04</p>	

<p>4. Application number(s) or registration number(s):</p> <p>A. Trademark Application No.(s) _____</p>	<p>B. Trademark Registration No.(s) 78043790, 78125052, 78378097, 78377956</p> <p>Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
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<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name: Heather L. Biaggne</p> <p>Internal Address: _____</p> <p>Street Address: 1700 Lincoln Street Suite 4100, Denver, CO 80203</p> <p>City: _____ State: _____ Zip: _____</p>	<p>6. Total number of applications and registrations involved: <span style="border: 1px solid black; padding: 2px;">4</span></p> <p>7. Total fee (37 CFR 3.41).....\$ 115.00</p> <p><input type="checkbox"/> Enclosed</p> <p><input checked="" type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: 08-2665</p>
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DO NOT USE THIS SPACE

9. Signature.

Heather L. Biaggne \_\_\_\_\_ 03/26/2004

Name of Person Signing      Signature      Date

Total number of pages including cover sheet, attachments, and document: 15

04/19/2004 MGETACHE 00000050 082665 78043790

01 FC:8521 40.00 DA

02 FC:8522 75.00 DA

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

TRADEMARK REEL: 002951 FRAME: 0833

Name and address of additional receiving parties:

Jona, Inc.  
c/o Nerd Gas Co. LLC  
1701 E. "E" Street  
Casper, WY 82601

Falcon Trust  
Box 50190  
Casper, WY 82605

Fusion Ventures, LLC  
10001 Oak Tree Court  
Lone Tree, CO 80124

**SECURITY AGREEMENT**

THIS SECURITY AGREEMENT (this "*Agreement*"), dated as of February 20, 2004, is made by M2M DATA CORPORATION, a Colorado corporation (the "*Company*"), in favor of JONA, INC. ("*Jona*"), FALCON TRUST ("*Falcon Trust*"), QV 2000, LLC AND FUSION VENTURES, LLC ("*Fusion Ventures*") (individually a "*Secured Party*," 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 the Company and the Secured Parties, the Secured Parties have agreed to make certain advances of money and to extend certain financial accommodations to the Company as evidenced by certain Secured Promissory Notes (each, a "*Note*" and, collectively, the "*Notes*") issued by the Company from time to time in accordance with the terms of the Purchase Agreement; such advances and financial accommodations being referred to herein as the "*Loans*".

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

**AGREEMENT**

NOW, THEREFORE, in order to induce the 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, the Company hereby represents, warrants, covenants and agrees as follows:

1. **DEFINED TERMS.** When used in this 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:

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

**“Copyright License”** means any agreement, whether in written or electronic form, in which the Company now holds or hereafter acquires any interest, granting any right in or to any Copyright or Copyright registration (whether the Company is the licensee or the licensor thereunder) including, without limitation, licenses pursuant to which the Company 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 the Company) by the Company or in which the Company 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 the Company) or acquired by the Company, 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.

**“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 the Company or in which the Company 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 the Company now holds or hereafter acquires any interest, granting any right with respect to any invention on which a Patent is in existence (whether the Company is the licensee or the licensor thereunder).

**“Patents”** means all of the following in which the Company 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 in favor of the Secured Parties existing on the date of this Agreement; (b) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings; (c) Liens (i) upon or in any Equipment acquired or held by the Company 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 the Company's business if such do not interfere in any material respect with the business of the Company; (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 to the extent and only so long as such judgment, decree or attachment has not caused or resulted in any Event of Default; (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 the Company; (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 broker's liens, banker's liens, rights of setoff or similar rights and remedies as to securities accounts, deposit accounts or other funds maintained with a creditor depository institution; (j) Liens incurred in connection with the extension, renewal or refinancing of the indebtedness secured by Liens of the type described in clauses (a) and (c) above; (k) Liens in connection with any capital lease obligations; or (l) Liens in favor of the Secured Parties and arising from or in connection with the Loan Documents.

**"Pro Rata"** means, as to any Secured Party at any time, the percentage equivalent at such time of such Secured Party's aggregate unpaid principal amount of Loans, divided by the combined aggregate unpaid principal amount of all Loans of all Secured Parties.

**"Secured Obligations"** means (a) the obligation of the Company to repay the 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 the Company to pay any fees, costs and expenses of the Secured Parties under the Loan Documents or under Section 6(b) hereof and (c) all other indebtedness, liabilities and obligations of the Company to the Secured Parties, whether now existing or hereafter incurred, and whether created under, arising out of or in connection with any Loan Document.

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

**"Trademarks"** means any of the following in which the Company 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; provided, however, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the 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 as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection of 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 the Company.

**2. GRANT OF SECURITY INTEREST.** As collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all the Secured Obligations and in order to induce the Secured Parties to cause the Loans to be made, the Company hereby assigns, conveys, mortgages, pledges, hypothecates and transfers to the Secured Parties, and hereby grants to the Secured Parties, a security interest in all of the Company'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 the Company;
- (b) All Chattel Paper of the Company;
- (c) All Commercial Tort Claims of the Company;

(d) All Contracts of the Company;

(e) All Deposit Accounts of the Company;

(f) All Documents of the Company;

(g) All Equipment of the Company;

(h) All Fixtures of the Company;

(i) All General Intangibles of the Company, 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 the Company, including, without limitation, Promissory Notes;

(k) All Inventory of the Company;

(l) All Investment Property of the Company;

(m) All Letter-of Credit Rights of the Company;

(n) All Supporting Obligations of the Company;

(o) All property of the Company held by any Secured Party, or any other party for whom 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 any Secured Party or such other party for any purpose, including, without limitation, safekeeping, collection or pledge, for the account of the Company, or as to which the Company may have any right or power;

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

If the Company shall at any time acquire a Commercial Tort Claim, the Company shall promptly notify the Secured Parties in a writing signed by the Company and containing (i) the brief details thereof and (ii) a grant to the Secured Parties of a security interest therein and in the proceeds thereof.

The Secured Parties' security interest in the Collateral shall continue until the termination of this Agreement pursuant to Section 11.2 hereof, whereupon such security interest shall terminate and Secured Parties shall release their security interest in the Collateral and, at the Company's sole cost and expense, execute such documents and take such further actions as may be reasonably necessary to effect the release contemplated hereunder, including, without limitation, duly executing and delivering termination statements for filing in all relevant jurisdictions under the UCC.

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

(a) Notwithstanding anything contained in this Agreement to the contrary, the Company expressly agrees that it shall remain liable under each of its Contracts, Chattel Paper, Documents, Instruments and each of its Licenses to observe and perform all the conditions and obligations to be observed and 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, Chattel Paper, Document, Instrument or License. The Secured Parties shall not have any obligation or liability under any Contract, Chattel Paper, Document, Instrument or License by reason of or arising out of this Agreement or the granting to the Secured Parties of a Lien therein or the receipt by the Secured Parties of any payment relating to any Contract, Chattel Paper, Document, Instrument or License pursuant hereto, nor shall the Secured Parties be required or obligated in any manner to perform or fulfill any of the obligations of the Company under or pursuant to any Contract, Chattel Paper, Document, Instrument 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, Chattel Paper, Document, Instrument 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) The Secured Parties authorize the Company to collect its Accounts, provided that such collection is performed in a prudent and businesslike manner, and the 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 the Secured Parties, the Company 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) The Secured Parties may at any time, upon the occurrence and during the continuance of any Event of Default, without notifying the Company of their intention to do so, notify Account Debtors of the Company, parties to the Contracts of the Company, obligors in respect of Instruments of the Company and obligors in respect of Chattel Paper of the Company that the Accounts and the right, title and interest of the Company in and under such Contracts,



Instruments and Chattel Paper have been assigned to the Secured Parties and that payments shall be made directly to the Secured Parties as specified in such notice. Upon the occurrence and during the continuance of any Event of Default, upon the request of the Secured Parties, the Company 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, the Secured Parties may, in their respective 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 the Secured Parties' satisfaction, the existence, amount and terms of any such Accounts, Contracts, Instruments or Chattel Paper.

**4. REPRESENTATIONS AND WARRANTIES.** The Company hereby represents and warrants to the Secured Parties that:

(a) The Company is the sole legal and equitable owner of each item of the Collateral in which it purports to grant a security interest hereunder, having good and marketable title thereto, free and clear of any and all Liens except for Permitted Liens.

(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 the Company in favor of the Secured Parties pursuant to this Agreement and except for Permitted Liens.

(c) This Agreement creates a legal and valid security interest on and in all of the Collateral in which the Company now has rights or in which the Company later acquires rights.

(d) The Company's chief executive office, principal place of business, and the place where the Company maintains its records concerning the Collateral are presently located at the address set forth on the signature page hereof. The Company is organized as a corporation under the laws of the State of Colorado.

(e) The Company is the sole holder of record and the sole beneficial owner of all certificated securities and uncertificated securities pledged to Secured Parties by the Company under Section 2 of this Security Agreement, free and clear of any adverse claim, as defined in Section 4-8-102(a)(1) of the UCC, except for the Lien created in favor of Secured Parties by this Security Agreement and Permitted Liens.

(f) To the best of the Company's knowledge, none of the Investment Property of the Company has been transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such transfer may be subject.

(g) To the knowledge of the Company, no third party has asserted ownership rights in any of the Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks and Trademark Licenses (except to the extent that such intellectual property rights have been licensed to or by the Company).

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

**5.1 Disposition of Collateral.** The Company shall not, without the prior written consent from the Secured Parties, 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, (c) the disposal of worn-out or obsolete Equipment, all in the ordinary course of the Company's business, or (d) other transfers of Collateral that do not exceed \$100,000 in the aggregate in any fiscal year.

**5.2 Change of Jurisdiction of Organization, Relocation of Business or Collateral.** The Company shall not, without 30 days prior written notice to the Secured Parties, 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 the Secured Parties pursuant to Section 4(d) above.

**5.3 Limitation on Liens on Collateral.** The Company shall not, without prior written consent from the Secured Parties, 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 Permitted Liens.

**5.4 Insurance.** The Company shall 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 the Company.

**5.5 Taxes, Assessments, Etc.** The Company 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.

**5.6 Maintenance of Records.** The Company shall keep and maintain at its own cost and expense satisfactory and complete records of the Collateral.

**5.7 Further Assurances; Pledge of Instruments.** At any time and from time to time, upon the written request of the Secured Parties, and at the sole expense of the Company, the Company shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Secured Parties may reasonably deem necessary or desirable to obtain the full benefits of this Security Agreement, including, without limitation, (a) using commercially reasonable efforts to secure all consents and approvals necessary or appropriate for the grant of a security interest to the Secured Parties in any Contract, License, Chattel Paper, Document or Instrument held by the Company or in which the Company has any right or interest not heretofore assigned, (b) executing, delivering and causing to be filed any financing or continuation statements under the UCC with respect to the security interests granted hereby, (c) filing or cooperating with Secured Parties in filing any forms or other

documents required to be recorded with the U.S. Patent and Trademark Office, U.S. Copyright Office, or any actions, filings, recordings or registrations in any foreign jurisdiction or under any international treaty, required to secure or protect the Secured Parties interest in the Company's Collateral, (d) transferring the Company's Collateral to a Secured Party's possession (if a security interest in such Collateral can be perfected by possession), (e) at the Secured Parties' reasonable request, placing the interest of the 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 the Company which is covered by a certificate of title (or similar evidence of ownership), (f) at the Secured Parties' request, using commercially reasonable efforts to execute and deliver and to cause the applicable depository institution, securities intermediary, commodity intermediary or issuer or nominated party under a letter of credit to execute and deliver a collateral control agreement with respect to each new Deposit Account, Securities Account or Commodity Account or Letter-of-Credit Right in or to which the Company has any right or interest in order to perfect the security interest created hereunder in favor of the Secured Parties (including giving the Secured Parties "control" over such Collateral within the meaning of the applicable provisions of Article 8 and Article 9 of the UCC), (g) at the Secured Parties' reasonable request, executing and delivering or causing to be delivered written notice to insurers of the Secured Parties' security interest in, or claim in or under, any policy of insurance (including unearned premiums) and (h) at the Secured Parties' reasonable request, using commercially reasonable 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. The Company also hereby authorizes the Secured Parties to file any such financing or continuation statement without the signature of the Company.

#### **6. RIGHTS AND REMEDIES UPON THE OCCURRENCE OF AN EVENT OF DEFAULT.**

(a) After any Event of Default shall have occurred and while such Event of Default is continuing, the Secured Parties may exercise in addition to all other rights and remedies granted to it under this Security Agreement or under any other Loan Document, all rights and remedies of a secured party under the UCC.

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

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

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

FIRST, to the Secured Parties in an amount sufficient to pay in full the reasonable costs of the Secured Parties in connection with such sale, disposition or other realization,

including all fees, costs, expenses, liabilities and advances incurred or made by the Secured Parties in connection therewith, including, without limitation, reasonable attorneys' fees;

**SECOND**, to the Secured Parties in amounts proportional to the Pro Rata share of the then unpaid Secured Obligations of each Secured Party; and

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

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

**8. LIMITATION ON THE SECURED PARTIES' DUTY IN RESPECT OF COLLATERAL.** The Secured Parties shall be deemed to have acted reasonably in the custody, preservation and disposition of any of the Collateral if they take such action as the Company requests in writing, but failure of the Secured Parties to comply with any such request shall not in itself be deemed a failure to act reasonably.

**9. REINSTATEMENT.** This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against the Company for liquidation or reorganization, should the Company 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 the Company'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. UNEQUAL PAYMENT BY THE COMPANY.** Each Secured Party agrees that if it shall, through the exercise of any right granted to the Secured Parties under any Loan Document 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 Party 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. The term "Loan" as used in this paragraph shall include accrued interest thereon.

## **11. MISCELLANEOUS.**

### **11.1 No Waiver; Cumulative Remedies.**

(a) The 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 Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by the Company and Secured Parties holding Notes representing a majority of the Outstanding Amounts of all Notes.

**11.2 Termination of this Agreement.** Subject to Section 9 hereof, this Agreement shall terminate upon either (i) the payment and performance in full of the Secured Obligations or (ii) the closing of any transaction pursuant to a Qualified Financing, *provided, however* that the Company's obligations in Section 7 shall survive any termination of this Agreement.

**11.3 Successor and Assigns.** This Agreement and all obligations of the Company hereunder shall be binding upon the successors and assigns of the Company, and shall, together with the rights and remedies of the Secured Parties hereunder, inure to the benefit of the Secured Parties, any future holder of any of the Loans and their respective successors and assigns. The Company may not assign this Agreement without the written consent of the Secured Parties. Each of the Secured Parties may assign this Agreement and its rights hereunder at any time without the consent of the Company to any affiliate of such Secured Party. 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 the Secured Parties hereunder.

**11.4 Governing Law.** In all respects, including all matters of construction, validity and performance, this 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.

**[REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]**

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

ADDRESS OF THE COMPANY

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

M2M DATA CORPORATION

By: *Alan K. Forbes*

Printed Name: ALAN K. FORBES

Title: RESIDENT

ACCEPTED AND ACKNOWLEDGED BY:

JONA, INC.

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

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

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

ACCEPTED AND ACKNOWLEDGED BY:

FALCON TRUST

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

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

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

ACCEPTED AND ACKNOWLEDGED BY:

FUSION VENTURES, LLC

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

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

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

ACCEPTED AND ACKNOWLEDGED

QV 2000, LLC

BY: *Brian J. Hepp, as Manager*

PRINTED NAME: Brian J. Hepp

TITLE: Manager