

08-31-2006



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FINANCE SECTION

To the Director of the U. S. Patent and Trademark Office. Please return the attached documents or the new address(es) below.

8-28-06

1. Name of conveying party(ies):

Datawire Communication Networks Inc.

- Individual(s)
- General Partnership
- Corporation- State: Ontario, Canada
- Other _____
- Association
- Limited Partnership

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

3. Nature of conveyance /Execution Date(s) :

Execution Date(s) July 14, 2006

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: HORIZON TECHNOLOGY FUNDING COMPANY LLC

Internal _____

Address: _____

Street Address: 76 Batterson Park Road

City: Farmington

State: Connecticut

Country: USA Zip: 06032

- Association
- General Partnership
- Limited Partnership
- Corporation
- Other LLC

Citizenship Delaware
If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s) _____

B. Trademark Registration No.(s)

76/367,883 76/367,754

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: John C. Bombara

Internal Address: Horizon Technology Funding Company LLC

Street Address: 76 Batterson Park Road

City: Farmington

State: Connecticut Zip: 06032

Phone Number: 860-676-8657

Fax Number: 860-676-8655

Email Address: jay@horizontechfinance.com

6. Total number of applications and registrations involved:

2

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 65.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

0000003 76367883
40.00 CP
25.00 CP

9. Signature:

Signature

August 15, 2006

Date

John C. Bombara
Name of Person Signing

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

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

08/29/2006 14:04:11
01 FC:0521
02 FC:0522

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "**Security Agreement**") dated as of July 14, 2006, is made by and between **DATAWIRE COMMUNICATION NETWORKS INC.**, an Ontario corporation with an address of 10 Carlson Court, Suite 300, Toronto, Ontario M9W 6L2 (the "**Debtor**"), and **HORIZON TECHNOLOGY FUNDING COMPANY LLC**, a Delaware limited liability company with an address of 76 Batterson Park Road, Farmington, Connecticut 06032 (the "**Secured Creditor**").

RECITALS

WHEREAS Datawire U.S.A., Inc. (the "**Borrower**") and the Secured Creditor are parties to a Venture Loan and Security Agreement dated as of even date herewith (as the same may hereafter be amended, supplemented or restated from time to time, the "**Loan Agreement**").

AND WHEREAS the Debtor has agreed to guarantee the obligations of the Borrower under the Loan Agreement and has entered into a general security agreement with the Secured Creditor dated as of even date herewith (as the same may hereafter be amended, supplemented or restated from time to time, the "**Security Agreement**") and as collateral security under the Security Agreement, the Secured Creditor has required the execution and delivery of this Agreement by the Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Security Agreement and herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Security Agreement. An event of default under the Security Agreement shall constitute an event of default under this Agreement (herein called "**Event of Default**").

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the obligations, Debtor hereby grants to Secured Creditor, and hereby reaffirms its prior grant pursuant to the Security Agreement of, a continuing security interest in Debtor's entire right, title and interest in and to all of its now owned or existing and hereafter owned or existing trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) in connection therewith, including, without limitation, the trademarks and corresponding trademark applications listed on Schedule A attached hereto and made a part hereof and the trademark registrations, and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing

(all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**"); all rights corresponding to any of the foregoing throughout the world and the goodwill of the Debtor's business connected with the use of and symbolized by the Trademarks.

3. Warranties and Representations. Debtor warrants and represents to Secured Creditor that:

(i) no Trademark has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Trademark been cancelled, in whole or in part and each such Trademark is presently subsisting;

(ii) Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Trademark, free and clear of any liens, charges and encumbrances, including without limitation, shop rights and covenants by Debtor not to sue third persons;

(iii) Debtor has no written notice of any suits or actions commenced or threatened with reference to any Trademark; and

(iv) Debtor has the unqualified right to execute and deliver this Security Agreement and perform its terms.

4. Restrictions on Future Agreements. Debtor agrees that until Debtor's obligations shall have been satisfied in full and the Security Agreement shall have been terminated, Debtor shall not, without the prior written consent of Secured Creditor, sell or assign its interest in any Trademark or enter into any other agreement with respect to any Trademark which would affect the validity or enforcement of the rights transferred to Secured Creditor under this Security Agreement in any material respect.

5. New Trademarks. Debtor represents and warrants that, based on a diligent investigation by Debtor, the Trademarks listed on Schedule A constitute all of the federally registered Trademarks, and federal applications for registration of Trademarks (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) now owned by Debtor. If, before Debtor's obligations shall have been satisfied in full or before the Security Agreement have been terminated, Debtor shall become aware of any existing Trademark applications or registrations of which Debtor has not previously informed Secured Creditor, the provisions of this Security Agreement above shall automatically apply thereto and Debtor shall give to Secured Creditor prompt written notice thereof. Debtor hereby authorizes Secured Creditor to modify this Security Agreement by amending Schedule A to include any such Trademarks.

6. Term. The term of this Security Agreement shall extend until the payment in full of Debtor's obligations and the termination of the Security Agreement. Debtor agrees that upon the occurrence of an Event of Default, the use by Secured Creditor of all Trademarks shall be without any liability for royalties or other related charges from Secured Creditor to Debtor.

7. Product Quality. Debtor agrees to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially

reasonable business practices. Upon the occurrence of an Event of Default, Debtor agrees that Secured Creditor, or a conservator appointed by Secured Creditor, shall have the right to establish such additional product quality controls as Secured Creditor, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Debtor under the Trademarks.

8. Release of Security Agreement. This Security Agreement is made for collateral purposes only. Upon payment in full of Debtor's obligations and termination of the Security Agreement, Secured Creditor shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Security Agreement.

9. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Debtor. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Secured Creditor in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Trademarks or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks shall be borne by and paid by Debtor and until paid shall constitute obligations.

10. Duties of Debtor. Debtor shall have the duty (i) to file and prosecute diligently any trademark applications pending as of the date hereof or hereafter until Debtor's obligations shall have been paid in full and the Security Agreement have been terminated, (ii) to preserve and maintain all rights in the Trademarks, as commercially reasonable and (iii) to ensure that the Trademarks are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with Debtor's obligations under this Section 10 shall be borne by Debtor.

11. Secured Creditor's Right to Sue. After an Event of Default, Secured Creditor shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Secured Creditor shall commence any such suit, Debtor shall, at the request of Secured Creditor, do any and all lawful acts and execute any and all proper documents required by Secured Creditor in aid of such enforcement and Debtor shall promptly, upon demand, reimburse and indemnify Secured Creditor for all costs and expenses incurred by Secured Creditor in the exercise of its rights under this Section 11.

12. Waivers. No course of dealing between Debtor and Secured Creditor, nor any failure to exercise, nor any delay in exercising, on the part of Secured Creditor, any right, power or privilege hereunder or under the Security Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. Severability. The provisions of this Security Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in

any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

14. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney; Effect on Security Agreement. All of Secured Creditor's rights and remedies with respect to the Trademarks, whether established hereby or by the Security Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Debtor hereby authorizes Secured Creditor upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Secured Creditor as Secured Creditor may select, in its sole discretion, as Debtor's true and lawful attorney-in-fact, with power to (i) endorse Debtor's name on all applications, documents, papers and instruments necessary or desirable for Secured Creditor in the use of the Trademarks or (ii) take any other actions with respect to the Trademarks as Secured Creditor deems to be in the best interest of Secured Creditor, or (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until Debtor's obligations shall have been paid in full and the Security Agreement have been terminated. Debtor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Secured Creditor under the Security Agreement but rather is intended to facilitate the exercise of such rights and remedies. Secured Creditor shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Security Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under applicable laws.

16. Binding Effect; Benefits. This Security Agreement shall be binding upon Debtor and its respective successors and assigns, and shall inure to the benefit of Secured Creditor, its successors, nominees and assigns.

17. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the province of Ontario and applicable federal law.


18. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

19. Further Assurances. Debtor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Secured Creditor shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein.

20. Survival of Representations. All representations and warranties of Debtor contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Security Agreement.

21. IN WITNESS WHEREOF, Debtor has duly executed this Security Agreement as of the date first written above.

**DATAWIRE COMMUNICATION
NETWORKS INC.**

By: 
Name: John H. Nicholas III
Title: Sr P Finance + Administration

Agreed and Accepted
As of the Date First Written Above

HORIZON TECHNOLOGY FUNDING COMPANY LLC
By: Horizon Technology Finance, LLC, its sole member

By: Robert Honcero, Jr.
Title: Managing Member

SCHEDULE A

Trademarks of Datawire Communication Networks Inc.

1. Canada

| Trade-Mark | Serial No. | Registration # |
|------------|------------|----------------|
| VXN | 1,129,008 | TMA 611,112 |
| DATAWIRE | 1,129,009 | TMA 611,249 |

2. United States of America

| Trade-Mark | Serial No. | Registration # |
|------------|------------|----------------|
| VXN | 76/367,883 | 3047245 |
| DATAWIRE | 76/367,754 | 2920305 |

trademark security agreement.DOC