

## TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY INTEREST

## CONVEYING PARTY DATA

| Name                            | Formerly | Execution Date | Entity Type             |
|---------------------------------|----------|----------------|-------------------------|
| XDimensional Technologies, Inc. |          | 07/05/2007     | CORPORATION: CALIFORNIA |

## RECEIVING PARTY DATA

|                 |                                 |
|-----------------|---------------------------------|
| Name:           | Hartford Fire Insurance Company |
| Street Address: | 308 Farmington Avenue           |
| City:           | Hartford                        |
| State/Country:  | CONNECTICUT                     |
| Postal Code:    | 06032                           |
| Entity Type:    | CORPORATION: CONNECTICUT        |

## PROPERTY NUMBERS Total: 8

| Property Type        | Number   | Word Mark                       |
|----------------------|----------|---------------------------------|
| Serial Number:       | 76417766 | NEXSURE                         |
| Registration Number: | 2729785  | ASPN                            |
| Registration Number: | 2906899  | NEXSURE                         |
| Registration Number: | 2724975  | POWERING THE INSURANCE INDUSTRY |
| Registration Number: | 2724977  | WHERE THE INDUSTRY CLICKS       |
| Registration Number: | 2747842  | XDIMENSIONAL TECHNOLOGIES       |
| Registration Number: | 2747841  | XDIMENSIONAL TECHNOLOGIES, INC. |
| Registration Number: | 2729826  | XDTI                            |

## CORRESPONDENCE DATA

Fax Number: (860)251-5214

*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

Phone: 860 251 5822

Email: pgagnon@goodwin.com

Correspondent Name: Patricia C. Gagnon RP

Address Line 1: Shipman &amp; Goodwin LLP

TRADEMARK

REEL: 003582 FRAME: 0578

900082036

OP \$215.00 76417766

Address Line 2: One Constitution Plaza  
Address Line 4: Hartford, CONNECTICUT 06103-1919

ATTORNEY DOCKET NUMBER: 26873-24

NAME OF SUBMITTER: Patricia C. Gagnon

Signature: /Patricia C. Gagnon/

Date: 07/18/2007

**Total Attachments: 25**

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## SECURITY AGREEMENT

THIS AGREEMENT, dated as of the 5th day of July, 2007 (this "Agreement"), is entered into by and between XDimensional Technologies, Inc., a California corporation (the "Company"), and Hartford Fire Insurance Company (the "Secured Party").

### WITNESSETH

WHEREAS, the Company is issuing and selling to the Secured Party a Convertible Promissory Note dated as of the date hereof, (the "Note"); and

WHEREAS, the obligation of the Secured Party to purchase the Note is conditioned upon, among other things, the Company executing and delivering this Agreement and granting the security interest hereinafter described;

NOW, THEREFORE, in consideration of the willingness of the Secured Party to purchase the Note and for other good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

1. Security Interest. As security for the Secured Obligations described in Section 2 hereof, the Company hereby grants to the Secured Party a security interest in and lien on all of the tangible and intangible personal property and fixtures of the Company, including without limitation those assets described below, whether now owned or existing or hereafter acquired or arising, together with any and all additions thereto and replacements, products and proceeds thereof, (hereinafter referred to collectively as the "Collateral").

The Collateral shall include, without limitation, the following categories of assets as defined in Revised Article 9 (hereinafter defined): goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts, chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, general intangibles (including, without limitation, all intellectual property, software, software products, systems, source and object code, algorithms, software products and services, know-how, software systems, software design, product plans, patents and pending patent applications, payment intangibles and software), supporting obligations and any and all proceeds of any thereof, wherever located, whether now owned or hereafter acquired. Without limiting the generality of the foregoing, the Collateral shall also include Pledged Trademarks and Copyright Collateral as each such term is defined in Schedules 1 and 2, and source code. In addition, the Company has executed in blank and delivered to the Secured Party (i) an assignment of federally registered trademarks and service marks in substantially the form of Exhibit 1-A hereto (the "Assignment of Marks") and (ii) an assignment of federally registered copyrights in substantially the form of Exhibit 1-B hereto (the "Assignment of Copyrights"). The Company hereby authorizes the Secured Party to complete as assignee and record either or both of (1) the Assignment of Marks with the PTO and (2) the Assignment of Copyrights with the USCSO upon the occurrence and during the continuance of an Event of Default and the

proper exercise of the Secured Party's remedies under this Agreement. The Secured Party will hold the Assignment of Marks and the Assignment of Copyrights in trust and may not accept either or all of them until the conditions set forth in the preceding sentence have occurred.

If the Company shall at any time acquire a commercial tort claim, as defined in Revised Article 9 of the Uniform Commercial Code ("Revised Article 9"), the Company shall immediately notify the Secured Party in a writing signed by the Company of the brief details thereof and grant to the Secured Party in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Secured Party.

Notwithstanding anything to the contrary contained in this Agreement, the Company, as a provider of hosted software and related services, will store and have access to confidential data of its customers (collectively, "Licensee Data"). Secured Party acknowledges and agrees that the Company has no ownership rights in and to the Licensee Data itself and any such Licensee Data itself shall not be deemed Collateral for purposes of this Agreement.

2. Secured Obligations. The security interest hereby granted shall secure the due and punctual payment and performance of all of the Company's obligations and covenants under the Note, any renewals or extensions thereof or amendments thereto and the payment and reimbursement of all sums and expenses, including without limitation, attorneys' fees, court costs and collection, legal and receivers' expenses, advanced or incurred by the Secured Party in connection with the preservation or disposition of the Collateral or any part thereof, or at any time in connection with the enforcement by the Secured Party of any of the foregoing obligations of the Company to the Secured Party whether upon Event of Default by the Company or otherwise (herein referred to as the "Secured Obligations").

3. Special Warranties and Covenants of Company. The Company hereby warrants and covenants to the Secured Party as follows:

(a) Owner of Collateral The Company is the owner of the Collateral and subject only to (i) the security interests of equipment lessors described in the UCC-1 filings attached hereto as **Schedule 1(a)**, (ii) the security interest of Hilb, Rogal and Hamilton Company ("HRH") in certain equipment to be purchased by the Company in accordance with Section 1(e) of that certain Nexsure Software Development and License Agreement dated as of July 29, 2002 between the Company and HRH, and (iii) the priority liens of federal and state taxing authorities for any accrued but unpaid payroll taxes, the Collateral is free from any lien, security interest, or encumbrance, or to the extent that the Collateral is acquired after the date hereof, will be the owner of the Collateral, having good and marketable title thereto, free from any and all liens, security interests, encumbrances or claims other than those granted hereunder. The Company will not create or assume or permit to exist any such lien, security interest, encumbrance or claim on or against the Collateral except as created or permitted by this Agreement, and the Company will promptly notify the Secured Party of any such other claim, lien, security interest or other encumbrance made or asserted against the Collateral and not created or permitted hereby and

will defend the Collateral against any such claim, lien, security interest or other encumbrance not created or permitted hereby.

(b) Perfection of Security Interest. The Company hereby irrevocably authorizes the Secured Party from time to time to file financing statements, continuation statements and amendments thereto that describe the Collateral as all assets of the Company or words of similar effect and which contain any other information required by Part 5 of Revised Article 9 for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including with respect to the U.S. Patent and Trademark Office and including whether the Company is an organization, the type of organization and any organization identification number issued to the Company. The Company agrees to furnish any such information to the Secured Party promptly upon request. Any such financing statements, continuation statements or amendments may be signed by the Secured Party on behalf of the Company and may be filed at any time in any jurisdiction whether or not Revised Article 9 is then in effect in that jurisdiction.

(c) State of Incorporation; Location of Books and Records. The Company represents and warrants that its exact legal name is that indicated on the signature page hereof, that its organizational identification number is C1883974 and that it is incorporated in the State of California and, other than (i) the address set forth in Section 9 hereof, (ii) the Company's facility located 450 Apollo Street, Brea, California, (iii) the Company's offices at 15020 S. Ravinia Avenue, Suite 21, Orland Park, Illinois, and (iv) 811 S. 16<sup>th</sup> Street, Phoenix, Arizona, the Company has no places of business, offices where the Company's books of account and records are kept, or places where the Collateral is used, stored or located, and conducts business under no other names, and agrees to notify the Secured Party promptly of any change in the foregoing representation. The Company shall at all times maintain its records as to the Collateral and its principal place of business at the addresses referred to in clauses (i) and (ii) above or at such other address as the Company shall advise the Secured Party of and as to which the Company shall have taken all actions necessary or, in the opinion of the Secured Party or its counsel, desirable to maintain the perfection and priority of the Secured Party's security interest in the Collateral. The Company further covenants that in the event that at any time any of the Collateral is in the possession of a person other than the Company or the Secured Party, the security interest of the Secured Party in such Collateral shall continue, and the Company shall give the Secured Party prior notice of any such proposed change of possession and shall take all steps necessary to preserve and protect the Secured Party's security interest in the Collateral. The Secured Party shall at all times during normal business hours have access to the Company's premises and to all books and records relating to the Collateral for the purposes of inspection and verification and, to the extent deemed necessary or desirable by the Secured Party, the Company shall make available its officers, employees, agents and accountants for consultation with the Secured Party.

(d) Except for certain standard consumer software licenses, including without limitation, Microsoft Office and Microsoft Windows, the Company, as of the date of this Agreement, does not own, license or otherwise have an interest in any registered patents, patent applications or registered copyrights.

(e) General Covenants. The Company shall:

(i) furnish to the Secured Party from time to time at the Secured Party's request written statements and schedules further identifying and describing the Collateral in such detail as the Secured Party may reasonably request;

(ii) advise the Secured Party promptly, in sufficient detail, of any substantial change in the Collateral, and of the occurrence of any event which would have a material adverse effect on the value of the Collateral or on the Secured Party's security interest therein;

(iii) mark its books and records to evidence the Secured Party's security interest in the Collateral;

(iv) mark conspicuously all chattel paper (including leases), if any, included in the Collateral and not in the Secured Party's possession, with a legend in form and substance reasonably satisfactory to the Secured Party, indicating that such chattel paper is subject to the security interest granted hereby;

(v) advise the Secured Party promptly, in sufficient detail, of any changes in, additions to or deletions from the corporate or business names used by the Company in the operation of its business, including, without limitation, any names used by the Company for billing purposes;

(vi) not sell, exchange or dispose of any Collateral, except for sales or leases of inventory in the ordinary course of the Company's business or the sale of obsolete equipment or other assets which are no longer used or useful in the conduct of the Company's business; and (without hereby authorizing any such disposition) the security interest of the Secured Party shall continue in all proceeds of any Collateral sold, leased, exchanged or disposed of. Notwithstanding anything to the contrary contained in this Agreement, the Company shall be entitled to license its software products in the ordinary course of the Company's business and such licenses shall not be deemed to constitute a lien, security interest, encumbrance or claim in violation of this Agreement;

(vii) comply with all acts, rules, regulations and orders of any legislative, administrative or judicial body or official applicable to the Collateral or any part thereof or to the operation of the Company's business, provided that the Company may contest any acts, rules, regulations, orders and directions of such bodies or officials in any reasonable manner which will not, in the Secured Party's reasonable opinion, adversely affect its rights or the priority of its security interest in the Collateral; and

(viii) promptly execute and deliver to the Secured Party such further deeds, mortgages, assignments, security agreements and other instruments, documents, certificates and assurances and take such further action as the Secured Party may from time to time in its sole discretion deem necessary or desirable to perfect, protect or enforce its security interest in the Collateral or otherwise to effectuate the intent of this Agreement.

(ix) at any time and from time to time take such steps as the Secured Party may reasonably request for the Secured Party (a) to obtain an acknowledgment, in form and substance satisfactory to the Secured Party, of any bailee having possession of any of the Collateral that the bailee holds such Collateral for the Secured Party, (b) to obtain "control" of any investment property, deposit accounts, letter-of-credit rights or electronic chattel paper (as such terms are defined in Revised Article 9 with corresponding provisions in Sections 9-104, 9-105, 9-106 and 9-107 of Revised Article 9 relating to what constitutes "control" for such items of Collateral), with any agreements establishing control to be in form and substance satisfactory to the Secured Party, and (c) otherwise to insure the continued perfection and priority of the Secured Party's security interest in any of the Collateral and of the preservation of its rights therein, whether in anticipation of or following the effectiveness of Revised Article 9 in any jurisdiction.

(x) (a) without providing at least 30 days' prior written notice to the Secured Party, not change its name, its place of business or, if more than one, chief executive office, or its mailing address or organization identification number if it has one, (b) if the Company does not have an organization identification number and later obtains one, forthwith notify the Secured Party of such organizational identification number, and (c) not change its type of organization, jurisdiction of organization or other legal structure.

(f) Assignment of Insurance. The Company will at all times maintain (i) insurance with respect to the Collateral and its business against such risks and in such amounts as are reasonably satisfactory to the Secured Party, but in no event less than is at the time customary with companies in the same or similar businesses, (ii) workers' compensation insurance and (iii) such other insurance as may be required by law. At least annually upon renewal or more frequently as the Secured Party may reasonably request, the Company shall deliver to the Secured Party certificates of the issuing companies with respect to any and all policies of insurance owned by the Company covering or in any manner relating to the Collateral, in form and substance satisfactory to the Secured Party, (i) showing the amounts and coverage of such policies, (ii) naming the Secured Party as loss payee or an additional insured as its interest may appear, (iii) indicating that the policy will not be terminated, or reduced in coverage or amount, without at least thirty (30) days' prior written notice from the insurer to the Secured Party and

(iv) providing that the insurance, as to the interest of the Secured Party, shall not be invalidated by any act or neglect of the Company, except in accordance with clause (iii) above. As further security for the due payment and performance of the Secured Obligations, the Company hereby assigns to the Secured Party all sums, including returned or unearned premiums, which may become payable under or in respect of any policy of insurance owned by the Company covering or in any manner relating to the Collateral, provided that the insurance companies shall pay such sums to the Company as long as no Event of Default has occurred and is continuing. Upon receipt of notice from the Secured Party or the Company that an Event of Default has occurred and is continuing, the Company hereby directs each insurance company issuing any such policy to make payment of sums directly to the Secured Party. During the period that an Event of Default has occurred and is continuing, the Company hereby appoints the Secured Party as the Company's attorney-in-fact and in the Company's or in the Secured Party's name to endorse any check or draft representing any such payment and to execute any proof of claim, subrogation receipt and any other document required by such insurance company as a condition to or otherwise in connection with such payment. All such sums received by the Secured Party shall be applied by the Secured Party, in its sole discretion, to satisfaction of the Secured Obligations on a pro rata basis or, to the extent that such sums represent unearned premiums in respect of any policy of insurance on the Collateral refunded by reason of cancellation, toward payment for similar insurance protecting the respective interests of the Company and the Secured Party, or as otherwise required by applicable law, and to the extent not so applied shall be paid over to the Company.

(g) Other Security. To the extent that the Secured Obligations are now or hereafter secured by property other than the Collateral or by the guarantee, endorsement or property of any other person, firm, corporation or other entity, then the Secured Party shall have the right in its sole discretion to pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of the Secured Party's rights and remedies hereunder.

(h) Company to Remain Liable. Notwithstanding anything herein to the contrary, (i) the Company shall remain liable under all contracts, agreements and documents included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Secured Party of any of its rights hereunder shall not release the Company from any of its duties or obligations under the contracts, agreements and documents included in the Collateral, and (iii) the Secured Party shall have no obligation or liability under the contracts, agreements and documents included in the Collateral, nor shall the Secured Party be obligated to perform any of the obligations or duties of the Company thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

(i) Power of Attorney. Upon the occurrence and during the continuance of any Event of Default, the Company authorizes the Secured Party and does hereby make, constitute and appoint the Secured Party, and any officer or agent of the Secured Party, with full



power of substitution, as the Company's true and lawful attorney-in-fact, with power, in its own name or in the name of the Company, to endorse any notes, checks, drafts, money orders, or other instruments of payment (including payments payable under or in respect of any policy of insurance) in respect of the Collateral that may come into the possession of the Secured Party; to sign and endorse any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and other documents relating to Collateral; to pay or discharge taxes, liens (whether or not inchoate), security interests or other encumbrances at any time levied or placed on or threatened against the Collateral (other than such of the foregoing as are permitted hereby); to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Collateral; to execute any Uniform Commercial Code financing statements, or amendments thereof or continuation statements; and, generally, to do, at the Secured Party's option and at the Company's expense, at any time, or from time to time, all acts and things which the Secured Party deems necessary to insure, protect, preserve and realize upon the Collateral and the Secured Party's security interest therein in order to effect the intent of this Agreement and other agreements between the Company and the Secured Party, all as fully and effectually as the Company might or could do; and the Company hereby ratifies all that said attorney shall do or cause to be done by virtue hereof, and agrees that neither the Secured Party nor said attorney shall be liable for any act or omission or any error of judgment or mistake of fact or law in connection with the power herein granted, except to the extent of the Secured Party's gross negligence or willful misconduct. This power of attorney shall be irrevocable as long as any of the Secured Obligations shall be outstanding.

(j) Expenses. The Company will pay all out-of-pocket expenses and attorneys' fees incurred by the Secured Party in connection with the filing or recording of financing statements and other documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, insurance premiums, encumbrances or otherwise protecting, maintaining or preserving the Collateral, the enforcing, foreclosing, retaking, holding, storing, processing, selling or otherwise realizing upon the Collateral and the Secured Party's security interest therein, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or related to this Agreement or any of the Secured Obligations and the amount of all claims in connection therewith, and the enforcement of the rights of the Secured Party in connection with this Agreement, and until so paid shall be added to the principal amount of the Secured Obligations and shall bear interest at the highest rate borne by any of the Secured Obligations then outstanding, and payment thereof shall be secured by this Agreement.

(k) Termination of Security Interest. Upon payment and performance of the Secured Obligations in full or upon the payment or conversion in full of the Note pursuant to the terms thereof, the security interest granted by this Agreement shall automatically terminate, all agreements and obligations of the Company under or pursuant to this Section 3 shall terminate, all rights to the Collateral shall revert to the Company, and the Secured Party shall deliver to the

Company any release of the encumbrances created under this Agreement that the Company may reasonably request.

(l) Partial Releases. So long as no Event of Default has occurred and is continuing, if the Company shall sell, transfer, lease or otherwise dispose of any Collateral, then the Secured Party shall deliver a release of any encumbrance created under this Agreement in such disposed Collateral that the Company may reasonably request.

4. Events of Default. The Company shall be in default under this Agreement and an "Event of Default" shall be deemed to have occurred upon (i) the occurrence of an Event of Default (as such term is defined in the Note) under the Note, (ii) any default in the observance or performance of any material covenant, condition or agreement to be observed or performed by the Company pursuant to this Agreement, which default is not cured within five (5) days following the Company's receipt of written notice of such default from Secured Party, or (iii) the breach of any material representation or warranty of the Company made in this Agreement.

5. Rights and Remedies of Secured Party. Upon the occurrence of any Event of Default, such Event of Default not having previously been remedied or cured, the Secured Party shall have all rights and remedies provided by law, including, without limitation, those provided by the Uniform Commercial Code as enacted in any jurisdiction in which the Collateral may be located.

6. Waivers, etc. **TO INDUCE SECURED PARTY TO ENTER INTO THE TRANSACTION EVIDENCED BY THE NOTE, THIS AGREEMENT, AND ANY OTHER DOCUMENTS EVIDENCING OR SECURING THE SAME:**

(a) **THE COMPANY VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THE NOTE, THIS AGREEMENT OR ANY OF THE DOCUMENTS, AGREEMENTS OR TRANSACTIONS CONTEMPLATED THEREBY;**

(b) **THE COMPANY AGREES THAT ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE NOTE OR THIS AGREEMENT, OR ANY OF THE DOCUMENTS, AGREEMENTS OR TRANSACTIONS CONTEMPLATED BY THE NOTE OR THIS AGREEMENT OR ANY ACTION OR PROCEEDING TO EXECUTE OR OTHERWISE ENFORCE ANY JUDGMENT IN RESPECT OF ANY BREACH UNDER THE NOTE OR THIS AGREEMENT OR ANY DOCUMENT OR AGREEMENT CONTEMPLATED THEREBY MAY BE BROUGHT BY THE SECURED PARTY IN ANY FEDERAL DISTRICT COURT LOCATED IN CONNECTICUT OR ANY CONNECTICUT STATE COURT AS THE SECURED PARTY MAY IN ITS SOLE DISCRETION ELECT, AND BY THE EXECUTION AND DELIVERY OF THIS AGREEMENT, THE COMPANY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE NON-EXCLUSIVE IN PERSONAM JURISDICTION OF EACH SUCH COURT, AND THE COMPANY**

**HEREBY IRREVOCABLY WAIVES AND AGREES NOT TO ASSERT IN ANY PROCEEDING BEFORE ANY SUCH COURT, BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE, ANY CLAIM THAT IT IS NOT SUBJECT TO THE IN PERSONAM JURISDICTION OF ANY SUCH COURT. IN ADDITION, THE COMPANY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE NOTE, THE SECURITY AGREEMENT OR ANY DOCUMENT, AGREEMENT OR TRANSACTION CONTEMPLATED THEREBY BROUGHT IN ANY SUCH COURT, AND HEREBY IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN ANY INCONVENIENT FORUM;**

**(c) THE COMPANY IRREVOCABLY AGREES THAT PROCESS PERSONALLY SERVED OR SERVED BY U.S. REGISTERED MAIL OR SERVED IN THE MANNER PROVIDED FOR COMMUNICATIONS IN THE NOTE OR IN THIS AGREEMENT SHALL CONSTITUTE, TO THE EXTENT PERMITTED BY LAW, ADEQUATE SERVICE OF PROCESS IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE NOTE OR THIS AGREEMENT OR ANY DOCUMENT, AGREEMENT OR TRANSACTION CONTEMPLATED THEREBY, OR ANY ACTION OR PROCEEDING TO EXECUTE OR OTHERWISE ENFORCE ANY JUDGMENT IN RESPECT OF ANY BREACH THEREUNDER OR UNDER ANY DOCUMENT OR AGREEMENT CONTEMPLATED THEREBY. RECEIPT OF PROCESS SO SERVED SHALL BE CONCLUSIVELY PRESUMED AS EVIDENCED BY A DELIVERY RECEIPT FURNISHED BY THE UNITED STATES POSTAL SERVICE OR ANY COMMERCIAL DELIVERY SERVICE;**

**(d) THE COMPANY HEREBY AGREES THAT NOTHING HEREIN SHALL IN ANY WAY BE DEEMED TO LIMIT THE ABILITY OF ANY PARTY HERETO TO SERVE ANY WRITS, PROCESS OR SUMMONSES IN ANY MANNER PERMITTED BY APPLICABLE LAW OR TO OBTAIN JURISDICTION OVER ANY OTHER PARTY HERETO IN SUCH OTHER JURISDICTION, AND IN SUCH OTHER MANNER, AS MAY BE PERMITTED BY APPLICABLE LAW; and**

**(e) THE COMPANY ACKNOWLEDGES THAT THIS AGREEMENT AND THE UNDERLYING TRANSACTIONS GIVING RISE HERETO CONSTITUTE COMMERCIAL BUSINESS TRANSACTIONS WITHIN THE STATE OF CONNECTICUT. IN THE EVENT OF ANY LEGAL ACTION AMONG THE COMPANY AND THE SECURED PARTY HEREUNDER, THE COMPANY HEREBY EXPRESSLY WAIVES ANY RIGHTS WITH REGARD TO NOTICE, PRIOR HEARING, JURY TRIAL AND ANY OTHER RIGHTS IT MAY HAVE UNDER THE CONNECTICUT GENERAL STATUTES, CHAPTER 903a, AS NOW CONSTITUTED OR HEREAFTER AMENDED, OR UNDER ANY OTHER STATE OR FEDERAL LAW OR CONSTITUTION WITH REGARD TO PREJUDGMENT REMEDIES, AND THE SECURED PARTY MAY INVOKE ANY PREJUDGMENT REMEDY AVAILABLE TO**

**IT, INCLUDING, BUT NOT LIMITED TO, GARNISHMENT, ATTACHMENT, FOREIGN ATTACHMENT AND REPLEVIN, WITH RESPECT TO ANY TANGIBLE OR INTANGIBLE PROPERTY (WHETHER REAL OR PERSONAL) OF THE COMPANY TO ENFORCE THE PROVISIONS OF THIS AGREEMENT WITHOUT GIVING THE COMPANY ANY NOTICE OR OPPORTUNITY FOR A HEARING.**

7. Assignment, etc. No waiver by the Secured Party or by any other holder of Secured Obligations of any Event of Default shall be effective unless in writing. In the event of a sale or assignment by the Secured Party of all or any of the Secured Obligations held by it, the Secured Party may assign or transfer its rights and interest under this Agreement in whole or in part to the purchaser or purchasers of such Secured Obligations, whereupon such purchaser or purchasers shall become vested with all of the powers and rights of the Secured Party hereunder, and the Secured Party shall thereafter be forever released and fully discharged from any liability or responsibility hereunder with respect to the rights and interest so assigned.

8. Reinstatement. Notwithstanding the provisions of Section 7, this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by the Secured Party in respect of the Secured Obligations is rescinded or must otherwise be restored or returned by the Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or upon the appointment of any intervenor or conservator of, or trustee or similar official for, the Company or any substantial part of its properties, or otherwise, all as though such payments had not been made.

9. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by first-class, registered or certified mail, postage prepaid, or delivered either by hand, overnight delivery service, or by messenger, or sent via telex, telecopier, computer mail or other electronic means, addressed (a) if to the Secured Party, at Hartford Plaza, Hartford, Connecticut 06115, attention Director of Corporate Law, or at such other address as such Secured Party shall have furnished to the Company in writing, or (b) if to the Company, 145 State College Boulevard, Brea, California 92821, Attention: Chief Executive Officer, or at such other address as such parties shall have furnished to the Secured Party and each such other holder in writing. Any notice or other communications so addressed and mailed, postage prepaid, by registered or certified mail (in each case, with return receipt requested) shall be deemed to be given when so mailed. Any notice so addressed and otherwise delivered shall be deemed to be given when actually received by the addressee.

10. Miscellaneous. This Agreement shall inure to the benefit of and be binding upon the Secured Party and the Company and their respective successors and assigns, and the term "Secured Party" shall be deemed to include any other holder or holders of any of the Secured Obligations. In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement shall not be amended or modified except by a written instrument signed by the Company and the Secured Party.

11. Governing Law. This Agreement, including the validity hereof and the rights and obligations of the parties hereunder, shall be construed in accordance with and governed by the laws of the State of Connecticut (without regard to its choice of law provisions).

IN WITNESS WHEREOF, the parties have executed this Agreement as a sealed instrument as of the date first above written.

XDIMENSIONAL TECHNOLOGIES, INC.

By

Name:

Title:

Steve McKcag

Chief Executive Officer

HARTFORD FIRE INSURANCE COMPANY.

By

Name: Michael L. Frechette

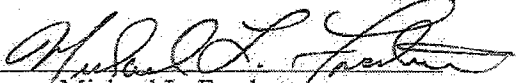
Title: Vice President

IN WITNESS WHEREOF, the parties have executed this Agreement as a sealed instrument as of the date first above written.

XDIMENSIONAL TECHNOLOGIES, INC.

By \_\_\_\_\_  
Name: Steve McKeag  
Title: Chief Executive Officer

HARTFORD FIRE INSURANCE COMPANY.

By   
Name: Michael L. Frechette  
Title: Vice President

## Schedule 1

For purposes of this Security Agreement, the following defined terms shall have the following meanings:

Copyrights. All copyrights and copyright registration applications, whether United States or foreign, that are owned by the Company or in which the Company has any right, title or interest, now or in the future, including but not limited to:

- (a) the copyrights and copyright applications associated with the Works;
- (b) all derivatives, whether authorized or unauthorized;
- (c) all agreements (including franchise agreements), product and service specification documents and operating, production and quality control manuals relating to or used in the design, manufacture, production, delivery, provision and sale of products or services under or in connection with the Works or Copyright Rights; and
- (d) all agreements and documents constituting or concerning the present or future, current or proposed advertising and promotion by the Company (or any of its affiliates, franchisees, licensees or contractors) of products or services sold under or in connection with the Works or Copyright Rights.

Copyright Collateral. All of the Company's right, title and interest in and to all of the Copyrights, the Copyright License Rights, and all other Copyright Rights, and all additions, improvements, and accessions to, all substitutions for and replacements of, and all products and Proceeds (including insurance proceeds) of any and all of the foregoing, and all books and records and technical information and data describing or used in connection with any and all such rights, interests, assets or property.

Copyright License Rights. Any and all past, present or future rights and interests of the Company pursuant to any and all past, present and future licensing agreements in favor of the Company, or to which the Company is a party, pertaining to any Copyrights, or Copyright Rights, owned or used by third parties in the past, present or future, including the right (but not the obligation) in the name of the Company or the Secured Party to enforce, and sue and recover for, any past, present or future breach or violation of any such agreement.

Copyright Rights. Any and all past, present or future rights in, to and associated with the Copyrights throughout the world, whether arising under federal law, state law, common law, foreign law, or otherwise, including but not limited to the following: the right (but not the obligation) (1) to reproduce copies of the Works, (2) to prepare derivative works based on the Works, (3) to distribute copies to the public by sale or other transfer of ownership, or by rental, lease or lending, (4) to display or perform the Works publicly, (5) to secure renewals, reissues, and extensions of the Copyright registrations to the extent permitted by law, (6) to collect all income, royalties, damages and payments now and later due and/or payable with respect to the Copyrights including, without limitation, damages and payments for past, present or future



infringements, and (7) to sue for past, present and future infringements. Such interest and right shall be held to the full extent of the term for which the copyright or any registration, renewal or extension thereof is or may be granted to the extent permitted by law.

Proceeds. Any consideration received from the sale, exchange, license, lease or other disposition or transfer of any right, interest, asset or property which constitutes all or any part of the Copyright Collateral, any value received as a consequence of the ownership, possession, use or practice of any Copyright Collateral, and any payment received from any insurer or other person or entity as a result of the destruction or the loss, theft or other involuntary conversion of whatever nature of any right, interest, asset or property which constitutes all or any part of the Copyright Collateral.

PTO. The United States Patent and Trademark Office.

Related Assets. All assets, rights and interests of the Company that uniquely reflect or embody the Associated Goodwill, including the following:

(a) all patents, inventions, copyrights, trade secrets, confidential information, formulae, methods or processes, compounds, recipes, know-how, methods and operating systems, drawings, descriptions, formulations, manufacturing and production and delivery procedures, quality control procedures, product and service specifications, catalogs, price lists, and advertising materials, relating to the manufacture, production, delivery, provision and sale of goods or services under or in association with any of the Trademarks; and

(b) the following documents and things in the possession or under the control of the Company, or subject to its demand for possession or control, related to the production, delivery, provision and sale by the Company, or any affiliate, franchisee, licensee or contractor, of products or services sold by or under the authority of the Company in connection with the Trademarks or Trademark Rights, whether prior to, on or subsequent to the date hereof:

(i) all lists, contracts, ancillary documents and other information that identify, describe or provide information with respect to any customers, dealers or distributors of the Company, its affiliates or franchisees or licensees or contractors, for products or services sold under or in connection with the Trademarks or Trademark Rights, including all lists and documents containing information regarding each customer's, dealer's or distributor's name and address, credit, payment, discount, delivery and other sale terms, and history, pattern and total of purchases by brand, product, style, size and quantity;

(ii) all agreements (including franchise agreements), product and service specification documents and operating, production and quality control manuals relating to or used in the design, manufacture, production, delivery, provision and sale of products or services under or in connection with the Trademarks or Trademark Rights;

(iii) all documents and agreements relating to the identity and locations of all sources of supply, all terms of purchase and delivery, for all materials, components, raw materials and other supplies and services used in the manufacture, production, provision, delivery and sale of products or services under or in connection with the Trademarks or Trademark Rights; and

(iv) all agreements and documents constituting or concerning the present or future, current or proposed advertising and promotion by the Company (or any of its affiliates, franchisees, licensees or contractors) of products or services sold under or in connection with the Trademarks or Trademark Rights.

Trademark License Rights. Any and all past, present or future rights and interests of the Company pursuant to any and all past, present and future franchising or licensing agreements in favor of the Company, or to which the Company is a party, pertaining to any Trademarks, Trademark Registrations, or Trademark Rights owned or used by third parties in the past, present or future, including the right (but not the obligation) in the name of the Company or the Secured Party to enforce, and sue and recover for, any past, present or future breach or violation of any such agreement to which the Company is a party.

Trademark Registrations. All past, present or future federal, state, local and foreign registrations of the Trademarks, all past, present and future applications for any such registrations (and any such registrations thereof upon approval of such applications), together with the right (but not the obligation) to apply for such registrations (and prosecute such applications) in the name of the Company, and to take any and all actions necessary or appropriate to maintain such registrations in effect and renew and extend such registrations.

Trademark Rights. Any and all past, present or future rights in, to and associated with the Trademarks throughout the world, whether arising under federal law, state law, common law, foreign law or otherwise, including the following: all such rights arising out of or associated with the Trademark Registrations; the right (but not the obligation) to register claims under any state, federal or foreign trademark law or regulation; the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of the Company for any and all past, present and future infringements or dilution of or any other damages or injury to the Trademarks, the Trademark Rights, or the Associated Goodwill, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, dilution, damage or injury; and the Trademark License Rights.

Trademarks. All of the trademarks, service marks, designs, logos, indicia, trade names, corporate names, company names, business names, fictitious business names, trade styles, elements of package or trade dress, and other source and product or service identifiers, used or associated with or appurtenant to the products, services and businesses of the Company, that (i) are set forth on Exhibit 1-A hereto, or (ii) have been adopted, acquired, owned, held or used by the Company or are now owned, held or used by the Company, in the Company's business, or with the Company's products and services, or in which the Company has any right, title or interest, or (iii) are in the future adopted, acquired, owned, held and used by the Company in the

Company's business or with the Company's products and services, or in which the Company in the future acquires any right, title or interest.

Use. With respect to any Trademark, all uses of such Trademark by, for or in connection with the Company or its business or for the direct or indirect benefit of the Company or its business, including all such uses by the Company itself, by any of the affiliates of the Company, or by any franchisee, licensee or contractor of the Company.

USCO. The United States Copyright Office.

Works. The technologies and literary works listed on Schedule 2 attached hereto (as the same may be amended pursuant hereto from time to time).

Schedule 2

**List of Pledged Trademarks and Copyright Collateral**

1. The Company owns the following trademarks and trademark applications:

| <b>Trademark</b> | <b>Application Number</b> | <b>Application Date</b> |
|------------------|---------------------------|-------------------------|
| NEXSURE          | 76/417,766                | 6/5/02                  |

| <b>Trademark</b>                                    | <b>Registration Number</b> | <b>Registration Date</b> |
|---|----------------------------|--------------------------|
| ASPN and design                                     | 2,729,785                  | 6/24/03                  |
| NEXSURE   | 2,906,899                  | 11/30/04                 |
| POWERING THE INSURANCE INDUSTRY                     | 2,724,975                  | 6/10/03                  |
| WHERE THE INDUSTRY CLICKS                           | 2,724,977                  | 6/10/03                  |
| XDIMENSIONAL TECHNOLOGIES                           | 2,747,842                  | 8/5/03                   |
| XDIMENSIONAL TECHNOLOGIES, INC.<br>stylized letters | 2,747,841                  | 8/5/03                   |
| XTDI  | 2,729,826                  | 6/24/03                  |

2. The Company has registered the following U.S. copyrights:

| <b>Title</b>            | <b>Registration Number</b> | <b>Date of Registration</b> |
|-------------------------|----------------------------|-----------------------------|
| NEXSURE                 | Txu1026123                 | 4/12/02                     |
| NEXSURE SCREEN DISPLAYS | Txu1029646                 | 4/22/02                     |

### **Schedule 3**

#### **Security Interests**

1. In March 2000, the Company entered into a \$500,000 master equipment lease agreement with Cisco Systems for the purchase of equipment. The Company's obligations under such equipment lease are secured by the equipment. The Company purchased and has utilized in its operations equipment having an aggregate purchase price of \$167,702, \$66,012 of which remains unpaid. In addition, Cisco Systems shipped to the Company additional equipment having an aggregate purchase price of approximately \$239,000 (the "Additional Equipment"). The Additional Equipment was the subject of a purchase order by the Company that provided for turn-key installation. Cisco failed to deliver the Additional Equipment on a "turn-key" basis and the Additional Equipment has not been used by the Company and remains in its original boxes. Throughout 2001, the Company indicated its desire and willingness to return the Additional Equipment to Cisco Systems but Cisco Systems has failed to provide a definitive response to the Company's inquiries on this subject. The Company has not recorded the Additional Equipment as an asset on its Financial Statements and the \$239,000 price for such Additional Equipment is not reflected as an obligation of the Company on the Company's Financial Statements. Although the Company believes that it is not obligated to pay for the Additional Equipment, it is possible that Cisco could initiate collection proceedings with respect to the price of such Additional Equipment which, if successful, could result in a return of the Additional Equipment and/or the equipment actually in use by the Company. To the extent the Company is deemed to have failed to pay on a timely basis its obligations under an equipment lease to Cisco Systems, such failure to pay could result in termination of the equipment leases in question, which could result in liens or encumbrances being placed on the Company's assets..

2. In connection with the sale of certain assets of VeriCert, Inc. to Confirmnet Corporation ("Confirmnet"), the Company entered into the following license agreements (the "Confirmnet Agreements"):

(A) License Agreement, dated as of August 30, 2001, between the Company and Confirmnet, pursuant to which the Company granted Confirmnet the license of Microsoft SQL server database backup files in order to facilitate the transfer of VeriCert customer data to Confirmnet;

(B) Exclusive Online Provider Agreement, dated as of August 30, 2001, between the Company and Confirmnet pursuant to which the Company agreed to appoint Confirmnet as its exclusive provider and servicer of online insurance certificates issued through any proprietary agency management software products and services of the Company; and

(C) Purchaser License Agreement, dated as of August 30, 2001, between Confirmnet and the Company, pursuant to which Confirmnet granted the Company an exclusive, royalty-free, perpetual worldwide license to utilize certain patent processes assigned to

Confirmnet by the Company for use in connection with insurance agency and brokerage management software products and services.

In May 2003, the Company and Confirmnet entered into an Amendment to Exclusive Online Certificate Provider Agreement and Related Documents pursuant to which (i) the Company agreed to forego certain accrued but unpaid and future revenue share payments owed by Confirmnet, but retain the right to receive certain revenue share payments for Nexsure customers that utilize Confirmnet certification services, (ii) the Company agreed to offer both Confirmnet and the Company's online certificate solution within Nexsure, (iii) Confirmnet agreed to permit the Company to develop, sell and maintain its own online certificate solution as part of a broader product offering subject to certain restrictions in terms of features and functionality, and (iv) Confirmnet agreed to modify the Company's restrictive covenant with Confirmnet to permit the Company to develop an online certificate solution consistent with (iii) above. In November 2005 the Company gave notice of termination of the Exclusive Online Certificate Provider Agreement and Related Documents. Such termination will be effective two years following the date of the notice.

3. The Company has established an irrevocable standby letter of credit with Bank of America (No. 3056849) dated July 21, 2003, in favor of Brea Place Associates, L.P. in the initial amount of \$163,365.08 in order to secure the Company's obligations under the Company's lease at 145 State College Boulevard, Brea, California. The letter of credit amount is reduced by \$32,673 on December 31 of each year commencing December 31, 2004. The balance of the letter of credit as of June 30, 2007 was \$66,509.48.

4. The Company has granted a conditional license to use and a right of first refusal and option to purchase the Company's Nexsure software and related technology pursuant to the terms of the agreements with Secured Party.

5. In the course of entering into customer license contracts, the Company has established a source code escrow with DSI Technology Escrow Services, Inc. pursuant to the terms of a Flexsafe Escrow Agreement (Deposit Acct. 24616), dated February 19, 2004. Pursuant to the terms of the escrow agreement, customers that are beneficiaries of such escrow would have access to the source code in the event that bankruptcy or similar proceeding are commenced by or against the Company. The Company may, in the future, agree to make other customers the beneficiary of such source code escrow. In addition, in connection with the HRH License (as defined elsewhere in this Schedule of Exceptions), the Company has agreed to establish an escrow in favor of HRH.

6. The Company maintains a \$35,000 deposit account at Bank of America which serves as security for the Company's credit card line of \$35,000. The balance of the deposit account as of June 30, 2007 was \$38,032.63. Bank of America has a security interest in such deposit account.

7. [Intentionally Omitted]

8. In 2003, Nextel Communications delivered notice to the Company of the possibility of Nextel filing an objection to the Company's trademark application for the "Nexsure" mark. After correspondence between counsel to Nextel and the Company's counsel, Nextel indicated, by letter dated March 30, 2004, that it would not take any further action regarding the Company's use and registration of the Nexsure mark. The letter states that Nextel's decision was based on an understanding that "XDTI uses its Nexsure trademark solely in connection with computer software for use by businesses in and serving the insurance industry." Although a proposed settlement agreement was prepared, no written agreement was reached with Nextel and neither the Company nor Nextel agreed to any limitation on its use of the "Nexsure" mark and Nextel reserved all rights.

**Schedule 4**

See Copyrights on Schedule 2.



**EXHIBIT 1-A**

**ASSIGNMENT OF TRADEMARKS AND SERVICE MARKS (U.S.)**

WHEREAS, XDimensional Technologies, Inc., a California corporation, having its principal place of business 145 State College Boulevard, Brea, California 92821 (the "Company"), has adopted and used and is using the trademarks and service marks (the "Marks") identified on the Annex hereto, and is the owner of the Marks and registrations and pending registration applications for such Marks in the United States Patent and Trademark Office as identified on such Annex; and

WHEREAS, Hartford Fire Insurance Company (the "Assignee") is desirous of acquiring the Marks and the registrations thereof and registration applications therefor;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Company does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Marks, together with (i) the registrations of and registration applications for the Marks, (ii) the goodwill of the business symbolized by and associated with the Marks and the registrations thereof, and (iii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Marks or the registrations thereof or such associated goodwill.

This Assignment of Trademarks and Service Marks (U.S.) is delivered pursuant to, and shall only become effective in accordance with the terms of, that certain Security Agreement, dated as of July 5th, 2007, as amended between the Company and Assignee (the "Security Agreement"). This Assignment of Trademarks and Service Marks (U.S.) is intended to and shall take effect as a sealed instrument in accordance with the terms of the Security Agreement at such time as the Assignee shall complete this instrument by signing its acceptance of this Assignment of Trademarks and Service Marks (U.S.) below.

IN WITNESS WHEREOF, the Company, by its duly authorized officer, has executed this assignment, as an instrument under seal, on this \_\_\_\_ day of \_\_\_\_\_.

The parties have executed this Assignment of Trademarks and Service Marks (U.S.) as of the date first written above by the undersigned.

**XDIMENSIONAL TECHNOLOGIES, INC.**

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT 1-B**

**ASSIGNMENT OF COPYRIGHTS**

WHEREAS, XDimensional Technologies, Inc., a California corporation, having its principal place of business 145 State College Boulevard, Brea, California 92821 (the "Company"), has developed and used and is using the technologies and literary works (the "Copyrights") identified on the Annex hereto, and is the owner of the registrations of and pending registration applications for such Copyrights in the United States Copyright Office as identified on such Annex; and

WHEREAS, Hartford Fire Insurance Company (the "Assignee") is desirous of acquiring the Copyrights and the registrations thereof and registration applications therefor;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Company does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Copyrights, together with the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Copyrights.

This Assignment of Copyrights is delivered pursuant to, and shall only become effective in accordance with the terms of, that certain Security Agreement, dated as of July 5th, 2007, as amended, between the Company and Assignee (the "Security Agreement"). This Assignment of Copyrights is intended to and shall take effect as a sealed instrument in accordance with the terms of the Security Agreement at such time as the Assignee shall complete this instrument by signing its acceptance of this Assignment of Copyrights below.

IN WITNESS WHEREOF, the Company, by its duly authorized officer, has executed this assignment, as an instrument under seal, on this \_\_\_\_ day of \_\_\_\_\_.

The parties have executed this Assignment of Copyrights as of the date first written above by the undersigned.

**XDIMENSIONAL TECHNOLOGIES, INC.**

By: \_\_\_\_\_  
Name:  
Title:

**Schedule 1(a)**

[See attached UCC equipment lien filings.]