

06/15/2011

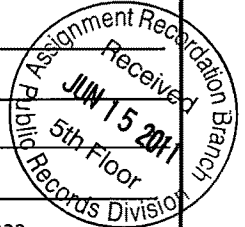
**RECORDATION FORM COVER SHEET
 TRADEMARKS ONLY**



103626996

To the Director of the U. S. Patent and Trademark Office: Please record the attached docu...

6/15/11



1. Name of conveying party(ies):

XTERA COMMUNICATIONS, INC.

- Individual(s) Association
 General Partnership Limited Partnership
 Corporation- State: Delaware
 Other _____

Citizenship (see guidelines) US Incorporated in Delaware

Additional names of conveying parties attached? Yes No

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

Execution Date(s) May 10, 2011

- Assignment Merger
 Security Agreement Change of Name
 Other _____

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: HORIZON TECHNOLOGY FINANCE CORPORATION

Internal

Address: _____

Street Address: 312 Farmington Avenue

City: Farmington

State: Connecticut

Country: USA Zip: 06032

- Association Citizenship _____
 General Partnership Citizenship _____
 Limited Partnership Citizenship _____
 Corporation Citizenship U.S.; Incorporated in Delaware
 Other _____ Citizenship _____

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)

None

B. Trademark Registration No.(s)

2786774 2750767

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: Horizon Technology Finance Corporation

Internal Address: Attn: Eric Darmofal

Street Address: 312 Farmington Avenue

City: Farmington

State: Connecticut Zip: 06032

Phone Number: 860-676-8654

Fax Number: 860-676-8654

Email Address: eric@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 to deposit account
 Enclosed

8. Payment Information:

06/15/2011 NTHAI1 00000081 2786774

Deposit Account Number _____ 40.00 OP
 01 FC:0531
 02 FC:052E _____ 25.00 OP

Authorized User Name _____

9. Signature:

Signature

June 10, 2011

Date

Eric Dramofal

Name of Person Signing

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

GRANT OF SECURITY INTEREST
TRADEMARKS

THIS GRANT OF SECURITY INTEREST, dated as of May 10, 2011, is executed by XTERA COMMUNICATIONS, INC., a Delaware corporation with an address of 500 W. Bethany Drive, Suite 100 Allen, Texas 75013 ("Debtor"), in favor of HORIZON TECHNOLOGY FINANCE CORPORATION, a Delaware corporation with an address of 312 Farmington Avenue, Farmington, Connecticut 06032 ("Secured Party").

A. Pursuant to a certain Venture Loan and Security Agreement, dated as of the date hereof (the "Agreement") by and between Debtor and the Secured Party, the Secured Party has agreed to extend certain credit facilities to Debtor upon the terms and subject to the conditions set forth therein;

B. Debtor owns the registered trademarks, service marks (and applications and registrations therefor), of the United States, more particularly described on Schedules 1-A and 1-B annexed hereto as part hereof (collectively, the "Trademarks");

C. Pursuant to the Agreement, Debtor has granted to Secured Party a security interest in all right, title and interest of Debtor in and to the Trademarks, together with associated goodwill, and all proceeds thereof, including any and all causes of action which may exist by reason of infringement thereof for the full term of the Trademarks (the "Collateral"), to secure the prompt payment, performance and observance of the Obligations (as defined in the Agreement);

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Debtor does hereby further grant to Secured Party a security interest in the Collateral to secure the prompt payment, performance and observance of the Obligations.

Debtor does hereby further acknowledge and affirm that the rights and remedies of Secured Party with respect to the security interest in the Collateral granted hereby are more fully set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

IN WITNESS WHEREOF, Debtor has caused this instrument to be executed as of the day and year first written above.

XTERA COMMUNICATIONS, INC.

By: _____

Name: Paul J. Colon

Title: EVP + CFO

SCHEDULE 1-A TO GRANT OF SECURITY INTEREST

TRADEMARKS

Trademark	Owner	Registration Number	Registration Date
XTERA	Debtor	2786774	11/25/2003
XTERA and design	Debtor	2750767	8/12/2003

SCHEDULE 1-B TO GRANT OF SECURITY INTEREST

TRADEMARK APPLICATIONS

Trademark Application	Owner	Application Number	Application Date
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