

5-18-01

05-29-2001

Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)



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

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

1. Name of conveying party(ies):

Ripcord Systems, Inc.

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

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

3. Nature of conveyance:

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

Execution Date: May 15, 2001

2. Name and address of receiving party(ies)

Name: SOFTBANK United Kingdom Capital LP

Internal Address: c/o Softbank Inc.

Street Address: 1188 Centre Street

City: Newton Center State: MA Zip: 02459

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

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)
Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

76/154,035 76/154,034
76/103,915 76/103,914
76/103,913 76/103,912

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

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

Name: Svetlana G. Attestatova

Internal Address: Brobeck, Phleger & Harrison LLP

Street Address: One Market
Spears Street Tower

City: San Francisco State: CA Zip: 94105

6. Total number of applications and registrations involved: 13

7. Total fee (37 CFR 3.41) \$ 340.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Rajesh Jhavar

Name of Person Signing

Signature

May 15, 2001

Date

Total number of pages including cover sheet, attachments and document. 24

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

RECORDATION FORM COVER SHEET (CONTINUATION)

TRADEMARKS ONLY

ITEM 2. Additional names and addresses of receiving parties

Receiving Party #2:

Name: Hook Communications Partners, L.P. ✓
Street Address: One Lincoln Center, Suite 1550
5400 Lyndon B. Johnson Freeway
City, State, Zip: Dallas, TX 75240

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited partnership: Texas _____
- Corporation-State _____
- Other _____

Receiving Party #3:

Name: Hook Partners III, L.P. ✓
Street Address: One Lincoln Center, Suite 1550
5400 Lyndon B. Johnson Freeway
City, State, Zip: Dallas, TX 75240

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited partnership: Texas _____
- Corporation-State _____
- Other _____

Receiving Party #4:

Name: Meredith Family Revocable Trust U/A/D 9/30/99 ✓
Thomas Meredith, its Trustee
Street Address: 70 Pascal Lane
City, State, Zip: Austin, TX 78746

- Individual(s) citizenship: _____
- Association _____
- General Partnership _____
- Limited partnership _____
- Corporation-State _____
- Other: revocable trust (Texas) _____

Receiving Party #5:

Name: Morton Topfer ✓

Street Address: 2600 Scenic Drive

City, State, Zip: Austin, TX 78703

Individual(s) citizenship: United States of America

Association _____

General Partnership _____

Limited partnership _____

Corporation-State _____

Other _____

ITEM 4. Additional Trademark Application Numbers ✓

76/059,362

75/805,857

75/805,698

75/805,697

75/624,133

75/624,132

75/805,856

SECURITY AGREEMENT

This Security Agreement (the "Agreement") is made as of May 15, 2001 by and between Ripcord Systems, Inc., a Delaware corporation (the "Debtor"), in favor of the parties listed on Exhibit A hereto (each a "Secured Party" and collectively the "Secured Parties").

RECITALS

The Debtor and the Secured Parties are parties to a Secured Convertible Note and Warrant Purchase Agreement of even date with this Agreement (the "Purchase Agreement") pursuant to which the Secured Parties have purchased Notes (as defined in the Purchase Agreement) from the Debtor. The parties intend that the Debtor's obligations to repay the Notes be secured by certain assets of the Debtor.

AGREEMENT

In consideration of the purchase of the Notes by the Secured Parties and for other good and valuable consideration, the Debtor hereby agrees with the Secured Parties as follows:

1. Grant of Security Interest.

(a) To secure the Debtor's full and timely performance of all of the Debtor's indebtedness, liabilities and other obligations to the Secured Parties pursuant to this Agreement and the Notes (including, without limitation, Debtor's obligation to timely pay the principal amount of the Note, all interest accrued thereon, all fees and all other amounts payable by Debtor to Secured Party thereunder or in connection therewith, whether now existing or hereafter arising, and whether due or to become due, absolute or contingent, liquidated or unliquidated, determined or undetermined) (the "Obligations"), the Debtor hereby pledges, assigns, transfers, hypothecates and sets over to Secured Party, and hereby grants to Secured Party a security interest (the "Security Interest") in, all of Debtor's right, title and interest in, to and under the property described on Exhibit B hereto, wherever located and whether now existing or owned or hereafter acquired or arising (the "Collateral"). The Security Interest shall be subject to and subordinate to the security interests in the Collateral described in Section 4(a) below, but shall be a first and prior interest in the Collateral with respect to all other third parties. As a condition to entering the Purchase Agreement, the Secured Parties have covenanted that they will enter into and execute a subordination agreement in the form provided by Silicon Valley Bank.

(b) Anything herein to the contrary notwithstanding, (i) Debtor shall remain liable under any contracts, agreements and other 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 Secured Party of any of the rights hereunder shall not release Debtor from any of its duties or obligations under such contracts, agreements and other documents included in the Collateral, and (iii) Secured Party shall not have any obligation or liability under any contracts, agreements and other documents included in the Collateral by reason of this Agreement, nor shall Secured Party be obligated to perform any of

the obligations or duties of Debtor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Collateral hereunder.

(c) This Agreement shall create a continuing security interest in the Collateral.

2. **Agreement Among the Secured Parties.**

(a) **Payment Pro Rata.** Payment to the Secured Parties under the Notes shall be made in proportion to the principal and accrued interest then outstanding on any such date of payment to each, until such obligations are paid or retired in full.

(b) **Sharing of Payments.** If any Secured Party shall at any time receive any payment of principal, interest or other charge arising under a Note, or upon any other obligation of Debtor or any sums by virtue of counterclaim, offset, or other lien that may be exercised, or from any security, other than payments made on the same date to all Secured Parties, such Secured Party shall share such payment or payments ratably with the other Secured Parties as to maintain as near as possible the unpaid balance of the loans pro rata according to the Secured Parties' aggregate proportionate interests.

(c) **Sharing of Collateral.** Upon the occurrence of any Event of Default as defined in Section 6 herein, and if the Secured Parties proceed to exercise any rights with respect to the Collateral, the Secured Parties shall share the Collateral and the proceeds of such Collateral ratably, without priority of one over the other.

(d) **Appointment of Agent.** The Secured Parties agree that Secured Parties holding a majority in interest of the principal amount of Notes outstanding may act together as the agent of all Secured Parties to execute and deliver in their names such instruments, documents, statements and amendments thereto as may be necessary or appropriate to perfect or continue the perfection of the security interest granted in this Agreement.

(e) **Enforcement.** Enforcement of the Secured Parties' rights hereunder shall be taken by Secured Parties holding a majority in interest of the principal amount of Notes outstanding acting together as the agent for all of the Secured Parties. The action of such percentage taken in accordance with the preceding sentence, shall in each case bind all the Secured Parties. Each of the Secured Parties agrees that any Secured Parties acting under Sections 2(d) and 2(e) shall not be liable for any acts taken in good faith in enforcing the rights of the Secured Parties hereunder.

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

(a) Debtor's chief executive office and principal place of business is located at the address set forth in Schedule 1; Debtor's jurisdiction of organization is set forth in Schedule 1; Debtor's exact legal name is as set forth in the first paragraph of this Agreement; all other locations where Debtor conducts business or Collateral is kept are set forth in Schedule 1; and all trade names and fictitious names under which Debtor at any time in the past has conducted or presently conducts its business operations are set forth in Schedule 1.

(b) Debtor is the sole and complete owner of the Collateral, free from any mortgage, deed of trust, pledge, security interest, assignment, deposit arrangement, charge or encumbrance, lien, or other type of preferential arrangement (a "Lien"), other than any Lien in favor of Secured Party or Silicon Valley Bank ("Permitted Liens").

(c) All of Debtor's U.S. and foreign patents and patent applications, copyrights (whether or not registered), applications for copyright, trademarks, service marks and trade names (whether registered or unregistered), and applications for registration of such trademarks, service marks and trade names, are set forth in Section 4(f) of the Schedule of Exceptions to the Purchase Agreement.

4. **Covenants.** The Debtor covenants and agrees with the Secured Parties that, from and after the date of this Agreement until the Obligations are paid in full:

(a) **Limitations on Liens.** Except for the Security Interest and the security interests listed in Exhibit C to this Agreement, which are senior to the Obligations, the Debtor is the owner of the Collateral and will be the owner of the Collateral hereafter acquired free from any adverse Lien, security interest or encumbrance (other than purchase money security interests that will be discharged upon Debtor's payment of the purchase price for the applicable property.) The Debtor will not create, incur or permit to exist, will defend the Collateral against, and will take such other action as is necessary to remove, any lien or claim on or to the Collateral, other than the Security Interest and the security interests listed in Exhibit C to this Agreement. The Debtor shall do and perform all reasonable acts that may be necessary and appropriate to maintain, preserve and protect the Collateral, and will defend the right, title and interest of the Secured Parties in and to any of the Collateral against the claims and demands of all other persons. No financing statements covering any Collateral or any proceeds thereof are currently on file in any public office.

(b) **Financing Statements, Etc.** Debtor shall execute and deliver to Secured Party concurrently with the execution of this Agreement, and Debtor hereby authorizes Secured Party to file (with or without Debtor's signature), at any time and from time to time thereafter, all financing statements, assignments, continuation financing statements, termination statements, account control agreements, and other documents and instruments, in form reasonably satisfactory to Secured Party, and take all other action, as Secured Party may reasonably request, to perfect and continue perfected, maintain the priority of or provide notice of the security interest of Secured Party in the Collateral and to accomplish the purposes of this Agreement. Debtor will cooperate with Secured Party in obtaining control (as defined in the UCC) of Collateral consisting of deposit accounts, investment property, letter of credit rights and electronic chattel paper. Debtor will join with Secured Party in notifying any third party who has possession of any Collateral of Secured Party's security interest therein and obtaining an acknowledgment from the third party that is holding the Collateral for the benefit of Secured Party. Debtor will not create any chattel paper without placing a legend on the chattel paper acceptable to Secured Party indicating that Secured Party has a security interest in the chattel paper.

(c) **Indemnification.** The Debtor agrees to defend, indemnify and hold harmless the Secured Parties against any and all liabilities, costs and expenses (including, without limitation, legal fees and expenses): (i) with respect to, or resulting from, any delay in paying, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any law, rule, regulation or order of any governmental authority applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Agreement.

(d) **Maintenance of Records.** The Debtor will keep and maintain, at its own expense, complete and satisfactory records of the Collateral.

(e) **Inspection Rights.** The Secured Parties shall have full access during normal business hours, and upon reasonable prior notice, to all the books, correspondence and other records of the Debtor relating to the Collateral. The Secured Parties or their representatives may examine such records and make photocopies or otherwise take extracts from such records. The Debtor agrees to render to the Secured Parties, at the Debtor's expense, such clerical and other assistance as may be reasonably requested with regard to the exercise of its rights pursuant to this paragraph.

(f) **Compliance with Laws** The Debtor will comply in all material respects with all laws, rules, regulations and orders of any governmental authority applicable to any part of the Collateral or to the operation of the Debtor's business; provided, however, that the Debtor may contest any such law, rule, regulation or order in any reasonable manner which does not, in the reasonable opinion of the Debtor, adversely affect the Secured Parties' rights or the priority of its liens on the Collateral.

(g) **Payment of Obligations.** The Debtor will pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Collateral or with respect to any of its income or profits derived from the Collateral, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if (i) the validity of such charge is being contested in good faith by appropriate proceedings, (ii) such proceedings do not involve any material danger of the sale, forfeiture or loss of any of the Collateral or any interest in the Collateral and (iii) such charge is adequately reserved against on the Debtor's books in accordance with generally accepted accounting principles.

(h) **Limitations on Dispositions of Collateral.** The Debtor will not sell, transfer, lease or otherwise dispose of any of the Collateral, or attempt, offer or contract to do so; provided however that Debtor will be allowed to grant licenses to its products and related documentation in the ordinary course of business and to establish or provide for escrows of related intellectual property in connection therewith.

(i) **Change of Location.** Debtor shall give prompt written notice to Secured Party (and in any event not later than thirty (30) days following any change described below in this subsection) of: (i) any change in the location of Debtor's chief executive office or principal

place of business, (ii) any change in the locations set forth in Schedule 1; (iii) any change in its name, (iv) any changes in its identity or structure in any manner which might make any financing statement filed hereunder incorrect or misleading; and (v) any change in its jurisdiction of organization; provided that Debtor shall not locate any Collateral outside of the United States or the United Kingdom nor shall Debtor change its jurisdiction of organization to a jurisdiction outside of the United States.

(j) **Insurance.** Debtor shall carry and maintain in full force and effect, at its own expense and with financially sound and reputable insurance companies, insurance with respect to the Collateral in such amounts, with such deductibles and covering such risks as is customarily carried by companies engaged in the same or similar businesses and owning similar properties in the localities where Debtor operates.

(k) **Corporate Existence.** Debtor shall maintain and preserve its corporate existence, its rights to transact business and all other rights, franchises and privileges necessary or desirable in the normal course of its business and operations and the ownership of the Collateral, except in connection with any transactions expressly permitted by the Notes.

(l) **Further Identification of Collateral.** The Debtor will furnish to the Secured Parties from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Parties may reasonably request, all in reasonable detail.

5. **Secured Parties' Appointment as Attorney-in-Fact.**

(a) **Powers.** The Debtor hereby appoints the Secured Parties and any officer or agent of the Secured Parties, with full power of substitution, as its attorney-in-fact with full irrevocable power and authority in the place of the Debtor and in the name of the Debtor or their own name, from time to time in the Secured Parties' discretion so long as an Event of Default has occurred and is continuing, for the purpose of carrying out the terms of this Agreement, to take any appropriate action and to execute any instrument which may be necessary or desirable to accomplish the purposes of this Agreement. Without limiting the foregoing, so long as an Event of Default has occurred and is continuing, the Secured Parties shall have the right, without notice to, or the consent of, the Debtor, to do any of the following on the Debtor's behalf:

(i) to pay or discharge any taxes or liens levied or placed on or threatened against the Collateral;

(ii) to direct any party liable for any payment under any of the Collateral to make payment of any and all amounts due or to become due thereunder directly to the Secured Parties or as the Secured Parties directs;

(iii) to ask for or demand, collect, and receive payment of and receipt for, any payments due or to become due at any time in respect of or arising out of any Collateral;

(iv) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to enforce any right in respect of any Collateral;

(v) to defend any suit, action or proceeding brought against the Debtor with respect to any Collateral;

(vi) to settle, compromise or adjust any suit, action or proceeding described in subsection (v) above and to give such discharges or releases in connection therewith as the Secured Parties may deem appropriate;

(vii) to assign any patent right included in the Collateral of Debtor (along with the goodwill of the business to which any such patent right pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Secured Parties shall in its sole discretion determine; and

(viii) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral and to take, at the Secured Parties' option and the Debtor's expense, any actions which the Secured Parties deem necessary to protect, preserve or realize upon the Collateral and the Secured Parties' liens on the Collateral and to carry out the intent of this Agreement, in each case to the same extent as if the Secured Parties were the absolute owner of the Collateral for all purposes.

The Debtor hereby ratifies whatever actions the Secured Parties shall lawfully do or cause to be done in accordance with this Section 5. This power of attorney shall be a power coupled with an interest and shall be irrevocable.

(b) **No Duty on Secured Parties' Part.** The powers conferred on the Secured Parties by this Section 5 are solely to protect the Secured Parties' interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Each Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither the Secured Parties nor any of their officers, directors, employees or agents shall, in the absence of willful misconduct or gross negligence, be responsible to the Debtor for any act or failure to act pursuant to this Section 5.

6. **Event of Default.** Any of the following events which shall occur or be continuing shall constitute an "Event of Default," unless consented to by the holders of at least a majority of the principal amount of the Notes issued pursuant to the Purchase Agreement:

(a) Debtor's failure to pay or discharge the Obligations in full in accordance with the terms of the Notes.

(b) Any representation or warranty by Debtor under or in connection with this Agreement or the Purchase Agreement shall prove to have been incorrect in any material respect when made or deemed made.

(c) Debtor shall fail to perform or observe in any material respect any other term, covenant or agreement contained in this Agreement, the Note or the Purchase Agreement on its part to be performed or observed and any such failure shall remain unremedied for a period of 15 days from the occurrence thereof.

(d) Debtor shall admit in writing its inability to, or shall fail generally or be generally unable to, pay its debts (including its payrolls) as such debts become due, or shall make a general assignment for the benefit of creditors; or Debtor shall file a voluntary petition in bankruptcy or a petition or answer seeking reorganization, to effect a plan or other arrangement with creditors or any other relief under the Bankruptcy Reform Act of 1978, as amended or recodified from time to time (the "Bankruptcy Code") or under any other state or federal law relating to bankruptcy or reorganization granting relief to debtors, whether now or hereafter in effect, or shall file an answer admitting the jurisdiction of the court and the material allegations of any involuntary petition filed against Debtor pursuant to the Bankruptcy Code or any such other state or federal law; or Debtor shall be adjudicated a bankrupt, or shall make an assignment for the benefit of creditors, or shall apply for or consent to the appointment of any custodian, receiver or trustee for all or any substantial part of Debtor's property, or shall take any action to authorize any of the actions set forth above in this paragraph; or an involuntary petition seeking any of the relief specified in this paragraph shall be filed against Debtor; or any order for relief shall be entered against Debtor in any involuntary proceeding under the Bankruptcy Code or any such other state or federal law referred to in this subsection (d).

(e) Debtor shall (i) liquidate, wind up or dissolve (or suffer any liquidation, wind-up or dissolution), except to the extent expressly permitted by the Note, (ii) suspend its operations other than in the ordinary course of business, or (iii) take any corporate action to authorize any of the actions or events set forth above in this subsection (e).

(f) Any material impairment in the value of the Collateral (other than normal depreciation) or the priority of Secured Party's Lien hereunder.

(g) Any levy upon, seizure or attachment of any of the Collateral.

(h) Any loss, theft or substantial damage to, or destruction of, any material portion of the Collateral (unless within 15 days after the occurrence of any such event, Debtor furnishes to Secured Party evidence satisfactory to Secured Party that the amount of any such loss, theft, damage to or destruction of the Collateral is fully insured under policies naming Secured Party as an additional named insured or loss payee).

(i) Acceptance of any loan from existing stockholders.

(j) Any closing of a sale of equity securities of the Company.

(k) Consummating any merger or consolidation or sale of all or substantially all of the Company's stock or assets.

7. **Performance by Secured Parties of Debtor's Obligations.** If the Debtor fails to perform or comply with any of its agreements or covenants contained in this Agreement and the

Secured Parties perform or comply, or otherwise cause performance or compliance, with such agreement or covenant in accordance with the terms of this Agreement, then the reasonable expenses of the Secured Parties incurred in connection with such performance or compliance shall be payable by the Debtor to the Secured Parties on demand and shall constitute Obligations secured by this Agreement.

8. **Remedies.** If an Event of Default has occurred and is continuing, the Secured Parties may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement relating to the Obligations, all rights and remedies of a secured party under the Washington Uniform Commercial Code, as amended from time to time (the "Code") or other applicable law. Without limiting the foregoing, the Secured Parties, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law) to or upon the Debtor or any other person (all of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances collect, receive, appropriate and realize upon any or all of the Collateral, and/or may sell, lease, assign, give an option or options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the foregoing), in one or more parcels at a public or private sale or sales, at any exchange, broker's board or office of a Secured Party or elsewhere upon such terms and conditions as the Secured Parties may deem advisable, for cash or on credit or for future delivery without assumption of any credit risk. The Secured Parties shall have the right upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales, to purchase all or any part of the Collateral so sold, free of any right or equity of redemption in the Debtor, which right or equity is hereby waived or released. The Secured Parties shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable expenses incurred therein or in connection with the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Parties under this Agreement (including, without limitation, reasonable attorneys' fees and expenses) to the payment in whole or in part of the Obligations, in such order as the Secured Parties may elect, and only after such application and after the payment by the Secured Parties of any other amount required by any provision of law, need the Secured Parties account for the surplus, if any, to the Debtor. To the extent permitted by applicable law, the Debtor waives all claims, damages and demands it may acquire against the Secured Parties arising out of the exercise by the Secured Parties of any of its rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least five (5) days before such sale or other disposition. The Debtor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorneys employed by the Secured Parties to collect such deficiency.

9. **Limitation on Duties Regarding Preservation of Collateral.** The sole duty of a Secured Party with respect to the custody, safekeeping and preservation of the Collateral, under the Code or otherwise, shall be to deal with it in the same manner as such Secured Party deals with similar property for its own account. Neither the Secured Parties nor any of their directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Debtor or otherwise.

10. **Powers Coupled with an Interest.** All authorizations and agencies contained in this Agreement with respect the Collateral are irrevocable and powers coupled with an interest.

11. **No Waiver; Cumulative Remedies.** The Secured Parties shall not by any act (except by a written instrument pursuant to Section 12(a) hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any default under the Notes or in any breach of any of the terms and conditions of this Agreement. No failure to exercise, nor any delay in exercising, on the part of the Secured Parties, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by a Secured Party of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy which the Secured Party would otherwise have on any subsequent occasion. The rights and remedies provided in this Agreement are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

12. **Miscellaneous.**

(a) **Amendments and Waivers.** Any term of this Agreement may be amended with the written consent of the holders of at least a majority of the principal amount of the Notes issued pursuant to the Purchase Agreement or their respective successors and assigns. Any amendment or waiver effected in accordance with this Section 12(a) shall be binding upon the parties and their respective successors and assigns.

(b) **Transfer; Successors and Assigns.** The terms and conditions of this Agreement shall be binding upon the Debtor and its successors and assigns and inure to the benefit of each Secured Party and its successors and assigns. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

(c) **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Washington, without giving effect to principles of conflicts of law.

(d) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(e) **Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

(f) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon receipt, when delivered personally or by courier,

overnight delivery service or confirmed facsimile, or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid (airmail if sent internationally), if such notice is addressed to the party to be notified at such party's address or facsimile number as set forth below or on Exhibit A hereto, or as subsequently modified by written notice.

(g) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith, in order to maintain the economic position enjoyed by each party as close as possible to that under the provision rendered unenforceable. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(h) **Entire Agreement.** This Agreement, and the documents referred to herein constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and any and all other written or oral agreements existing between the parties hereto concerning such subject matter are expressly canceled.

[Signature Page Follows]

The Debtor and Secured Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

DEBTOR:

RIPCORD SYSTEMS, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

Address: 616 First Avenue, Suite 700
Seattle, WA 98104

Facsimile Number: (206) 328-3600

SECURED PARTIES:

SOFTBANK UNITED KINGDOM VENTURES / SOFTBANK UNITED
KINGDOM CAPITAL LC

By: Eric Hippo

Name: ERIC HIPPO

Title: _____

Address: _____

Facsimile Number: _____

The Debtor and Secured Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

DEBTOR:

RIPCORD SYSTEMS, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

Address: 616 First Avenue, Suite 700
Seattle, WA 98104

Facsimile Number: (206) 328-3600

SECURED PARTIES:

HOOK COMMUNICATIONS PARTNERS, L.P.

By: 

Name: DAVID J. HOOK

Title: _____

Address: ONE LINCOLN CTR #1550
5400 LBJ FWY
DALLAS, TX 75240

Facsimile Number: 972-991-5457

SIGNATURE PAGE TO SECURITY AGREEMENT

TRADEMARK
REEL: 002303 FRAME: 0784

The Debtor and Secured Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

DEBTOR:

RIPCORD SYSTEMS, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

Address: 616 First Avenue, Suite 700
Seattle, WA 98104

Facsimile Number: (206) 328-3600

SECURED PARTIES:

HOOK PARTNERS III, L.P.

By:  _____

Name: DAVID J. HOOK

Title: _____

Address: ONE LINCOLN CTR #1550
5400 LBJ FWY
DALLAS, TX 75240

Facsimile Number: 972-991-5457

SIGNATURE PAGE TO SECURITY AGREEMENT

The Debtor and Secured Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

DEBTOR:

RIPCORD SYSTEMS, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

Address: 616 First Avenue, Suite 700
Seattle, WA 98104

Facsimile Number: (206) 328-3600

SECURED PARTIES:

HARSTON L. TOPFER

By: Harston L. Topfer

Name: HARSTON L. TOPFER

Title: _____

Address: 2600 Scenic Drive
Austin, TX 78703-1518

Facsimile Number: 512-329-6462

SIGNATURE PAGE TO SECURITY AGREEMENT

The Debtor and Secured Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

DEBTOR:

RIPCORD SYSTEMS, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

Address: 616 First Avenue, Suite 700
Seattle, WA 98104

Facsimile Number: (206) 328-3600

SECURED PARTIES:

MEREDIT Family Revocable Trust
U/A/D 9/30/99

By: Thomas V. Meredit

Name: THOMAS V. MEREDIT

Title: TRUSTEE

Address: ONE Dell Way, Mailstop 9200
ROUND ROCK, TX 78682

Facsimile Number: 512-728-4188

SIGNATURE PAGE TO SECURITY AGREEMENT

TRADEMARK
REEL: 002303 FRAME: 0787

EXHIBIT A

**Name/Address and Facsimile Number of
Secured Party**

**Original Principal Amount of
Note**

SOFTBANK United Kingdom Capital LP	\$3,550,000
Hook Communications	\$150,000
Hook Partners III	\$50,000
Morton Topfer	\$125,000
Meredith Family Revocable Trust U/A/D 9/30/99, Thomas Meredith, Trustee	\$125,000

EXHIBIT B

The Collateral shall consist of all right, title and interest of Debtor in and to the following:

(i) all accounts, accounts receivable, contract rights, rights to payment, chattel paper, electronic chattel paper, commercial tort claims, letter of credit rights and proceeds of letters of credit, documents, securities, money and instruments, and investment property, whether held directly or through a securities intermediary, and other obligations of any kind owed to Debtor, however evidenced;

(ii) all deposits and deposit accounts with any bank, savings and loan association, credit union or like organization, and all funds and amounts therein, and whether or not held in trust, or in custody or safekeeping, or otherwise restricted or designated for a particular purpose;

(iii) all inventory, including, without limitation, all materials, raw materials, parts, components, work in progress, finished goods, merchandise, supplies, and all other goods which are held for sale, lease or other disposition or furnished under contracts of service or consumed in Debtor's business, including, without limitation, those held for display or demonstration or out on lease or consignment;

(iv) all equipment, including, without limitation, all machinery, furniture, furnishings, fixtures, trade fixtures, tools, parts and supplies, automobiles, trucks, tractors and other vehicles, appliances, computer and other electronic data processing equipment and other office equipment, computer programs and related data processing software, and all additions substitutions, replacements, parts, accessories, and accessions to and for the foregoing;

(v) all general intangibles and other personal property of Debtor, including, without limitation, (A) all tax and other refunds, rebates or credits of every kind and nature to which Debtor is now or hereafter may become entitled; (B) all intellectual property and all rights therein of any type or description, including, without limitation, all inventions and discoveries, patents and patent applications, copyrights and applications for copyright (together with the underlying works of authorship) whether or not registered, together with any renewals and extensions thereof, trademarks, service marks and trade names, and applications for registration of such trademarks, service marks and trade names, trade secrets, trade dress, trade styles, logos, other source of business identifiers, mask-works, mask-work registrations, mask-work applications, software, confidential and proprietary information, customer lists, other license rights, advertising materials, operating manuals, methods, processes, know-how, algorithms, formulae, databases, quality control procedures, product, service and technical specifications, operating, production and quality control manuals, sales literature, drawings, specifications, blue prints, descriptions, inventions, name plates and catalogs, and the entire goodwill of or associated with the businesses now or hereafter conducted by Debtor connected with and symbolized by any of the aforementioned properties and assets, and all licenses relating to any of the foregoing, all reissuance, continuations and continuations-in-part of the foregoing, all other rights derived from

or associated with the foregoing, including the right to sue and recover for past infringement, and all income and royalties with respect thereto; (C) all good will, choses in action and causes of action; (D) all interests in limited and general partnerships and limited liability companies; and (E) all indemnity agreements, guaranties, insurance policies, insurance claims, and other contractual, equitable and legal rights of whatever kind or nature;

(vi) all books, records and other written, electronic or other documentation in whatever form maintained by or for Debtor in connection with the ownership of its assets or the conduct of its business or evidencing or containing information relating to the Collateral; and

(vii) all products and proceeds, including insurance proceeds, and supporting obligations of any and all of the foregoing.

EXHIBIT C

The following security interests in and to the Collateral are senior to the Obligations:

Silicon Valley Bank pursuant to the Loan and Security Agreement between Silicon Valley Bank and Ripcord Systems, Inc., dated May __, 2001 (the "SVB Agreement").

The following financing statements have been filed with respect to the Collateral:

UCC-1 filed pursuant to the SVB Agreement.

Schedule 1

Business Address: 616 First Avenue, Suite 700, Seattle, WA 98104

Incorporated: Delaware

Other Places of Business: 14 Flood Walk, London, SW3 5RG

Other Business Names:

Ripcord Systems, Inc.
Ripcord Systems Limited
DigitalAtom.com, Inc.
DigitalAtom.com
DigitalAtom
Wedding.net
Consumedia
Clique.com, Inc.
Clique.com
Clique
Clique UK LTD
Clique UK