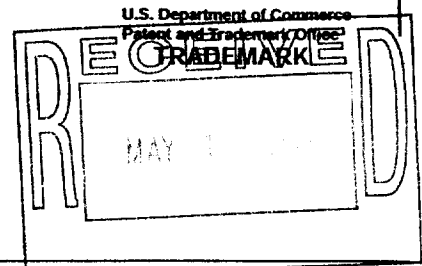


05-27-1999



101047463

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY



md 5-17-99

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment
- License
- Security Agreement
- Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year
04301999

Name

Formerly

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization

FOR OFFICE USE ONLY

05/25/1999 MTHAI1 00000035 78472172

01 FC:481 40.00 OP
02 FC:482 75.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 001903 FRAME: 0038

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text" value="78472172"/>	<input type="text" value="75602076"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="75508912"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="75518493"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

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. Charges to deposit account are authorized, as indicated herein.

Doug Carlen



May 11, 1999

Name of Person Signing

Signature

Date Signed

Schedule 1 To
Trademark Collateral Assignment

A. Trademark and Trademark Applications:

<u>Application or Trademark No.</u>	<u>Issue or Filing Date</u>	<u>Title</u>
876695 Canada	4/28/98	Cerent
78/472,172 U.S.A.	4/22/98	Cerent
Unknown U.S.A.	12/7/98	The Revolutionary Network Element
75/508,912 U.S.A.	6/26/98	Misc. Design
882121 Canada	6/22/98	Misc. Design
75/518,493 U.S.A.	7/14/98	454

B. Trademark Licenses:

None

TRADEMARK COLLATERAL ASSIGNMENT

THIS AGREEMENT is made as of April 30, 1999, between Cerent Corporation, a Delaware corporation ("Assignor"), and Venture Lending & Leasing II, Inc. ("VLL"), a Maryland corporation, in its capacity as collateral agent (in such capacity, the "Assignee") for itself as a lender to Assignor and for the following additional lenders to Assignor (collectively, the "Lenders", and each, a "Lender"): Venture Banking Group, a division of Cupertino National Bank & Trust; Transamerica Business Credit Corporation, a Delaware corporation; MMC/GATX Partnership I, a California general partnership; and Third Coast Capital, a division of DVI Financial Services, Inc., a Delaware corporation.

RECITALS

A. Assignor and VLL entered into a Loan and Security Agreement dated as of October 30, 1998, and a Supplement to Loan and Security Agreement of even date therewith (together, the "Prior Agreement") pursuant to which VLL agreed to make available to Assignor a secured, term loan facility for working capital loans and equipment finance loans, and Assignor granted to VLL a continuing security interest in all of Assignor's assets, then owned and thereafter acquired. The Prior Agreement contemplated that the VLL would increase the amount of its loan commitment and/or assist the Assignor in obtaining additional, like loan commitments from one or more other lenders. Contemporaneously with the execution of this Agreement, the Assignor is entering into an Amended and Restated Loan Agreement with VLL and the other Lenders (the "Loan Agreement").

B. Pursuant to the Loan Agreement, each Lender has agreed, severally and not jointly, to provide secured, term financing to Assignor up to the amount of such Lender's Commitment (as defined therein), and Assignor has agreed to grant to Lenders a security interest in all of its now owned and hereafter acquired personal property and assets, including all right, title and interest of Assignor in, to and under all Assignor's Trademarks (as defined in the Loan Agreement), Trademark registrations, Trademark applications and Trademark Licenses (as defined in the Loan Agreement), whether presently existing or hereafter arising or acquired, together with the goodwill of the business symbolized by the Trademarks and the applications therefor and the registrations thereof, and all products and proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement or dilution thereof or injury to the associated goodwill, to secure the payment of all amounts owing under the Loan Agreement. It is a material condition to each Lender's commitment to make loans to Assignor that such loans be secured by security interests and liens of equal priority among the Lenders.

C. Assignor and Lenders desire to designate one of the Lenders to act as collateral agent for the benefit of all of the Lenders under this Agreement and such other security agreements, financing statements and other lien perfection documents as may be necessary or desirable, in the name of such collateral agent as secured party for the ratable benefit of the Lenders.

D. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Loan Agreement.

NOW, THEREFORE, in consideration of the premises, Assignor hereby agrees with Assignee as follows:

1. To secure the complete and timely satisfaction of all Obligations and performance of all of Assignor's obligations to each Lender and the payment and performance of Assignors' obligations under this Agreement, Assignor grants, assigns and conveys to Assignee, for the ratable benefit of the Lenders and itself, a continuing security interest in and lien on all of Assignor's right, title and interest in and to the Trademarks, Trademark applications and Trademark Licenses listed on Schedule 1 hereto (as the same may be amended pursuant hereto from time to time), including, without limitation, all renewals thereof, all proceeds of infringement suits, the right to sue for past, present and future infringements and all rights corresponding thereto throughout the world (all of the foregoing are collectively called the "Trademarks"), and the goodwill of the business to which each of the Trademarks relates.

2. Assignor covenants and warrants that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable;

(b) To the best of Assignor's knowledge, each of the Trademarks is valid and enforceable;

(c) No claim has been made that the use of any of the Trademarks does or may violate the rights of any third person;

(d) Except for security interests created in connection with the Prior Agreement, Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, registered user agreements and covenants by Assignor not to sue third persons, except (i) the security interests created by this Agreement; (ii) Permitted Liens; and (iii) any license disclosed in Schedule 1;

(e) Assignor has the unqualified right to enter into this Agreement and perform its terms;

(f) Assignor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Trademarks; and

(g) Assignor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Trademarks.

3. Assignor hereby grants to Assignee and its employees and assignees the right to visit Assignor's plants and facilities which manufacture, inspect or store products sold

under any of the Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours. Assignor shall do any and all acts required by Assignee to ensure Assignor's compliance with paragraph 2(g).

4. Assignor agrees that, until all of the Obligations shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with Assignor's obligations under this Agreement, without Assignee's prior written consent; provided, that so long as no Default or Event of Default has occurred and is continuing, Assignor may grant licenses to third parties to use the Trademarks in the ordinary course of business of both Assignor and such third party on arm's length and customary business terms.

5. IF, BEFORE THE OBLIGATIONS SHALL HAVE BEEN SATISFIED IN FULL, ASSIGNOR SHALL OBTAIN RIGHTS TO ANY NEW TRADEMARKS, THE PROVISIONS OF PARAGRAPH 1 SHALL AUTOMATICALLY APPLY THERETO AND ASSIGNOR SHALL GIVE ASSIGNEE PROMPT WRITTEN NOTICE THEREOF.

6. Assignor authorizes Assignee unilaterally to modify this Agreement by amending Schedule 1 to include any future Trademarks and Trademark applications covered by paragraphs 1 and 5 hereof.

7. If any Event of Default shall have occurred and be continuing, Assignee shall have, in addition to all other rights and remedies given it by this Agreement or any other Loan Document, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located and, without limiting the generality of the foregoing, the Assignee may immediately, without demand of performance and without other notice (except as set forth below) or demand whatsoever to Assignor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, all or from time to time any of the Trademarks, or any interest which the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Trademarks all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to Assignor. Notice of any sale or other disposition of the Trademarks shall be given to Assignor at least ten (10) days before the time of any intended public or private sale or other disposition of the Trademarks is to be made, which Assignor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Assignee, Lenders, and their assignees may, to the extent permissible under applicable law, purchase the whole or any part of the Trademarks sold, free from any right of redemption on the part of Assignor, which right is hereby waived and released.

8. At such time as Assignor shall completely satisfy all of the Obligations this Agreement shall terminate and Assignee and each Lender shall execute and deliver to Assignor all assignments, reconveyances or other instruments as may be necessary or proper to re-vest in Assignor full title to the Trademarks, subject to any disposition thereof which may have been made by Assignee pursuant hereto.

9. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Assignee in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, shall be borne and paid by Assignor on demand by Assignee and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the highest applicable Default Rate.

10. Assignor shall have the duty, through counsel reasonably acceptable to Assignee, to prosecute diligently any Trademark applications pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full, to make federal application on registrable but unregistered Trademarks, to file and prosecute opposition and cancellation proceedings and to do any and all acts which are necessary or desirable to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with the Trademarks shall be borne by Assignor. The Assignor shall not abandon any Trademark without the consent of Assignee, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Assignor shall not be obligated to take any action under this Section 10 if, in the reasonable opinion of Assignee's legal counsel, such action is not appropriate under reasonable business practices.

11. Assignor shall have the right, with the prior written consent of Assignee, which will not be unreasonably withheld, to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Trademarks, in which event Assignee may, if necessary, be joined as a nominal party to such suit if Assignee is satisfied that it is not thereby incurring any risk of liability because of such joinder. Assignor shall promptly, upon demand, reimburse and indemnify Assignee for all damages, costs and expenses, including reasonable attorneys' fees incurred by Assignee, in accordance with the Loan Agreement.

12. Assignor hereby authorizes and empowers Assignee to make, constitute and appoint any officer or assignee of Assignee as Assignee may select, in its exclusive discretion, as Assignor's true and lawful attorney-in-fact, with the power, after and during the continuance of an Event of Default, to endorse Assignor's name on all applications, documents, papers and instruments necessary for Assignee to use the Trademarks, or to grant or issue any exclusive or nonexclusive license under the Trademarks to anyone else, or necessary for Assignee to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to any third person as a part of Assignee's realization on such collateral upon acceleration of the Obligations following an Event of Default. Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney being coupled with an interest shall be irrevocable for the life of this Agreement.

13. If Assignor fails to comply with any of its obligations hereunder, Assignee may do so in Assignor's name or in Assignee's name, but at Assignor's expense, and Assignor hereby agrees to reimburse Assignee in full for all expenses, including reasonable attorneys' fees, incurred by Assignee in protecting, defending and maintaining the Trademarks.

14. No course of dealing between Assignor and Assignee, nor any failure to exercise, nor any delay in exercising, on the part of Assignee, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

15. All of Assignee's rights and remedies with respect to the Trademarks, whether established hereby or by the Loan Agreement or any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

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

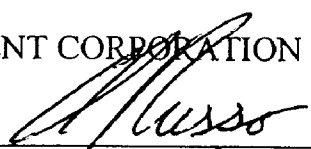
17. This Agreement is subject to modification only by a writing signed by both parties, except as provided in paragraph 6.

18. This Agreement shall be binding upon Assignor and Assignee and their respective permitted successors and assigns, and shall inure to the benefit of Assignor, Assignee and the respective permitted successors and assigns, of Assignee and Assignor.

19. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of California.

WITNESS the execution hereof under seal as of the day and year first above written.

CERENT CORPORATION

By: 
Name: Carl E. Russo
Title: President & CEO

VENTURE LENDING & LEASING II, INC.,
as agent for the Lenders

By: _____
Name: _____
Title: _____

13. If Assignor fails to comply with any of its obligations hereunder, Assignee may do so in Assignor's name or in Assignee's name, but at Assignor's expense, and Assignor hereby agrees to reimburse Assignee in full for all expenses, including reasonable attorneys' fees, incurred by Assignee in protecting, defending and maintaining the Trademarks.

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19. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of California.

WITNESS the execution hereof under seal as of the day and year first above written.

CERENT CORPORATION

By: _____
Name: _____
Title: _____

VENTURE LENDING & LEASING II, INC.,
as agent for the Lenders

By: 
Name: SALVADOR O. GUTIERREZ
Title: 