FORM PTO-1594 (Rev. 6-93) 8-5-99
OMB No. 0651-0011 (exp. 4/94)

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08-09-1999

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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To the Honorable Commissioner of Patents an ... ginal documents or copy thereof.

1. Name of conveying party(ies):
Network Alchemy, Inc.

- ☐ Individual(s)
- ☐ Association
- ☐ General Partnership
- ☐ Limited Partnership
- ☒ Corporation-State
- ☐ Other

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

2. Name and address of receiving party(ies)
Name: Bank of America, N.A.
Internal Address: CA5-106-02-03
Street Address: 530 Lytton Avenue, 2nd Fl.
City: Palo Alto State: CA ZIP: 94301

- ☐ Individual(s) citizenship
- ☒ Association CA
- ☐ General Partnership
- ☐ Limited Partnership
- ☐ 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

3. Nature of conveyance:

- ☐ Assignment
- ☐ Merger
- ☒ Security Agreement
- ☐ Change of Name
- ☐ Other

Execution Date: July 28, 1999

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

A. Trademark Application No.(s)
75/524,402 75/524,262
75/424,138 75/625,280

B. Trademark Registration No.(s)

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Douglas Watson
Internal Address: CA5-106-02-03
Street Address: 530 Lytton Avenue
2nd Floor
City: Palo Alto State: CA ZIP: 94301

6. Total number of applications and registrations involved: 4

7. Total fee (37 CFR 3.41).....$ 115.00

- ☐ 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

08/06/1999 MTHAI1 00000109 75524402
01 FC:481 40.00 OP
02 FC:482 75.00 OP

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.

James R. Marietta — Name of Person Signing
James R. Marietta — Signature
August 3, 1999 — Date

Total number of pages including cover sheet, attachments, and document: 14

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

SECURITY AGREEMENT

1. **THE SECURITY**. NETWORK ALCHEMY, INC. ("Borrower") for valuable consideration hereby grants and assigns to BANK OF AMERICA, N. A., a national banking association ("Lender"), a security interest in any right, title, or interest of Borrower in or to the following described personal property, whether now owned or hereafter acquired (collectively, the "Collateral"):

A. All accounts, contract rights, chattel paper, instruments, deposit accounts, and general intangibles; and all returned or repossessed goods which, on sale or lease, resulted in an account or chattel paper.

B. All inventory now owned or hereafter acquired by Borrower.

C. All machinery, furniture, fixtures and other equipment of every type now owned or hereafter acquired by Borrower.

D. All negotiable and nonnegotiable documents of title now owned or hereafter acquired by Borrower covering any of the Collateral.

E. All rights under contracts of insurance now owned or hereafter acquired by Borrower covering any of the Collateral.

F. All patents and patent applications and all rights corresponding thereto throughout the world, and all unpatented or unpatentable developments and inventions.

G. All trademarks, service marks, logos, and all United States, state and/or foreign applications for registration and registrations thereof, all trade names, trade styles, designs, and the like, all elements of package or trade dress of goods, the goodwill of the Borrower's business connected with the use of, and symbolized by any of the above, and all property of Borrower necessary to produce any products sold under any of the above.

H. All copyrights and copyrighted works, all derivative works thereof, all mask works of semiconductor chip products, and United States and/or foreign applications for registration and registrations thereof.

I. All computer software programs developed or to be developed by Borrower or in which Borrower asserts or could assert a proprietary interest; all personal property, including but not limited to source codes, object codes or similar information, which is necessary to the practical utilization of such programs; all tangible property of Borrower embodying or incorporating any such programs.

J. All trade secrets, proprietary information, customer lists, instructional materials, working drawings, manufacturing techniques, process technology documentation, and product formulations.

K. All rights to damages or profits due or accrued arising out of past, present or future infringement of the Collateral or injury to Borrower's good will connected with the use of the Collateral and the right to sue therefor.

L. All renewals, modifications, amendments, re-issues, divisions, continuations in whole or part, and extensions of any Collateral.

M. All proceeds, product, offspring, rents and profits now owned or hereafter acquired by Borrower of any of the above-described property.

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N. All books and records now owned or hereafter acquired by Borrower pertaining to any of the above-described property, including but not limited to any computer-readable memory and any computer hardware or software necessary to process such memory ("Books and Records").

2. **THE INDEBTEDNESS**. The Collateral secures and will secure all Indebtedness of Borrower to Lender. For the purposes of this Agreement, "Indebtedness" means all indebtedness, obligations and liabilities, of every kind, nature and character, whether now existing or hereafter incurred or created, whether voluntary or involuntary, whether due or not due, whether absolute or contingent of Borrower to Lender under that certain Senior Secured Credit Agreement dated of even date herewith between Borrower and Lender (as amended, restated or replaced from time to time the "Credit Agreement") and any document required thereunder or executed in connection therewith, as they may be amended, restated or replaced from time to time. Unless Borrower shall have otherwise agreed in writing, Indebtedness, for the purposes of this Agreement, shall not include "consumer credit" subject to the disclosure requirements of the Federal Truth in Lending Act or any regulations promulgated thereunder.

3. **WARRANTIES AND REPRESENTATIONS**. Borrower represents and warrants to Lender as follows:

A. Borrower has full power and authority to execute this Agreement and perform its obligations hereunder, and to subject the Collateral to the security interest transferred hereby, and Borrower has entered and will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained.

B. Borrower is the lawful owner of the entire right, title and interest in and to all the Collateral, free and clear of all liens, charges, encumbrances, claims of infringement, setoffs, counterclaims, licenses, shop rights, and covenants not to sue third persons, except for Permitted Liens (as defined in the "Credit Agreement").

C. Borrower's place of business and chief executive office is 1538 Pacific Avenue, Floor 2, Santa Cruz, California 95060 and the Collateral is kept at that location.

D. Exhibit A to this Agreement is a complete list of all patents, trademark and service mark registrations, copyright registrations, mask work registrations, and all applications therefor, in which Borrower has any right, title, or interest, throughout the world.

4. **BORROWER'S COVENANTS**. Borrower covenants and warrants that unless compliance is waived by Lender in writing:

A. Borrower will at its expense properly preserve and maintain the Collateral; defend the Collateral against any adverse claims and demands; and keep accurate Books and Records. Borrower will, at its expense, diligently prosecute all patent, trademark or service mark or copyright applications pending on or after the date hereof, will maintain in effect all issued patents and will renew all trademark and service mark registrations, including payment of any and all maintenance and renewal fees relating thereto; Borrower also will promptly make application on any patentable but unpatented inventions, registerable but unregistered trademarks and service marks, and copyrightable but uncopyrighted works, if the lack of application on such inventions, marks or works would materially and adversely affect the value of the Collateral.

B. Borrower will at its expense protect and defend all rights in the Collateral against any claims and demands of all persons other than Lender and will, at its expense, enforce all rights in the Collateral against any and all infringers of the Collateral. Borrower will not license or transfer any of the Collateral except with Lender's prior written consent except for the grant of licenses and sale of products in the ordinary course of business.

C. Borrower has notified Lender in writing of, and will notify Lender in writing prior to any change in, the locations of

(i) Borrower's place of business or Borrower's chief executive office if Borrower has more than one place of business, and (ii) any Collateral, including the Books and Records.

D. Borrower will promptly notify Lender of any acquisition (by adoption and use, purchase, license or otherwise) of any patent, trademark or service mark registration, copyright registration, mask work registration, and applications therefor, and unregistered trademarks and service marks and copyrights, throughout the world, which are granted or filed or acquired after the date hereof or which are not listed on Exhibit A hereto. Borrower authorizes Bank, without notice to Borrower, to modify this Agreement by amending Exhibit A to include any such Collateral.

E. Borrower will notify Lender in writing prior to any change in Borrower's corporate name or business structure.

F. Borrower will maintain and keep in force insurance as provided in clause (a) of paragraph 7.16 of the Credit Agreement.

G. Borrower has not granted and will not grant any security interest in any of the Collateral except for Permitted Liens, and will keep the Collateral free of all liens, claims, security interests and encumbrances of any kind or nature except for Permitted Liens.

H. Borrower will not sell, lease, agree to sell or lease, or otherwise dispose of, or remove from Borrower's place of business (i) any inventory except in the ordinary course of business as heretofore conducted or proposed to be conducted by Borrower, or (ii) any other Collateral (except for the grant of licenses and sale of products in the ordinary course of business) except with the prior written consent of Lender.

I. Borrower will promptly notify Lender in writing of any event which adversely affects the value of the Collateral (including, but not limited to, conduct which might infringe on any Collateral), the ability of Borrower or Lender to dispose of the Collateral, or the rights and remedies of Lender in relation thereto, including, but not limited to, the levy of any legal process against any Collateral and the adoption of any marketing order, arrangement or procedure affecting the Collateral, whether governmental or otherwise.

J. If any Collateral (except for products licensed or sold in the ordinary course of business) is or becomes the subject of any registration certificate or negotiable document of title, including any warehouse receipt or bill of lading, Borrower shall immediately deliver such document to Lender.

K. Borrower will not attach any Collateral to any real property or fixture in a manner which might cause such Collateral to become a part thereof unless Borrower first obtains the written consent of any owner, holder of any lien on the real property or fixture, or other person having an interest in such property to the removal by Lender of the Collateral from such real property or fixture. Such written consent shall be in form and substance acceptable to Lender and shall provide that Lender has no liability to such owner, holder of any lien, or any other person.

L. Until Lender exercises its rights to make collection, Borrower will diligently pursue collection of all Collateral.

M. Borrower will, at the request of Lender, execute such other agreements, documents or instruments in connection with this Agreement as Lender may reasonably deem necessary, including, but not limited to, those documents prepared by Lender which, at Lender's option, Lender chooses to record with any governmental entity, in any State or at the Federal level or in any foreign country, relating to the security interest Lender holds in the Collateral.

N. Borrower will pay to Lender, on demand, the amounts of any fees required to be paid in connection with recordation of this Agreement or any other agreement, document, or instrument evidencing Lender's security interest and any other rights in or to the Collateral, provided that Lender will pay such fees in an amount not to exceed

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$1,000 in connection with the initial establishment of the Facility.

O. Borrower will deliver to Lender, on demand, (i) copies of or extracts from the Books and Records, and (ii) information on any contracts or other matters affecting the Collateral.

Q. Borrower will permit Lender to examine the Collateral, including the Books and Records, and make copies of or extracts from the Books and Records, and for such purposes enter at any reasonable time upon the property where any Collateral or any Books and Records are located.

R. Borrower will, on demand, deliver to Lender any instruments or chattel paper.

5. ADDITIONAL OPTIONAL REQUIREMENTS. Borrower agrees that if an Event of Default occurs hereunder, Lender may, at its option:

A. Require Borrower to segregate all collections and proceeds of the Collateral so that they are capable of identification and deliver daily such collections and proceeds to Lender in kind.

B. Notify any account debtors, any buyers of the Collateral, or any other persons of Lender's interest in the Collateral.

C. Require Borrower to direct all account debtors to forward all payments and proceeds of the Collateral to a post office box under Lender's exclusive control.

D. Demand and collect any payments and proceeds of the Collateral. In connection therewith Borrower irrevocably authorizes Lender to endorse or sign Borrower's name on all checks, drafts, collections, receipts and other documents, and to take possession of and open the mail addressed to Borrower and remove therefrom any payments and proceeds of the Collateral.

6. DEFAULTS. Any one or more of the following shall be an "Event of Default" hereunder:

A. Borrower fails to pay any Indebtedness when due.

B. Borrower breaches any term, provision, warranty or representation under this Agreement or under the Credit Agreement or any other agreement executed in connection therewith.

C. Any custodian, receiver or trustee is appointed to take possession, custody or control of all or a substantial portion of the property of Borrower or of any guarantor of any Indebtedness, and such appointment is not terminated within a period of 45 days after such appointment.

D. Borrower or any guarantor of any Indebtedness becomes insolvent, or is generally not paying or admits in writing its inability to pay its debts as they become due, fails in business, makes a general assignment for the benefit of creditors or dies.

E. Any case, proceeding or other action is commenced by or against Borrower or any guarantor of any Indebtedness under any bankruptcy or other law for the relief of, or relating to, debtors, which case, proceeding or other action if commenced against Borrower or any guarantor is not dismissed or stayed within a period of 45 days after the filing thereof.

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F. Any levies of attachment, executions, tax assessments or similar processes shall be issued against any material portion of the Collateral or any involuntary lien of any kind or character attaches to any Collateral and such levies of attachment, executions, tax assessments or similar processes is not removed, discharged or rescinded within 45 days after the issuance thereof, provided that none of the foregoing shall constitute an Event of Default so long as such levies of attachment, executions, tax assessments or similar processes are stayed or an adequate bond has been posted pending a good faith contest by Borrower.

G. Any financial statements, profit and loss statements, certificates, schedules or other information now or hereafter furnished by Borrower to Lender proves false or incorrect in any material respect.

H. An Event of Default (as defined in the Credit Agreement) shall occur under the Credit Agreement.

7. LENDER'S REMEDIES AFTER DEFAULT. In the event of any Event of Default hereunder, Lender may do any one or more of the following:

A. Declare any Indebtedness immediately due and payable, without notice or demand.

B. Enforce the security interest given hereunder pursuant to the Uniform Commercial Code and any other applicable law.

C. Enforce the security interest of Lender in any deposit account of Borrower maintained with Lender by applying such account to the Indebtedness.

D. Require Borrower to assemble the Collateral, including the Books and Records, and make them available to Lender at a place reasonably designated by Lender.

E. Enter upon the property where any Collateral, including any Books and Records, are located and take possession of such Collateral and such Books and Records, and use such property (including any buildings and facilities) and any of Borrower's equipment, if Lender deems such use necessary or advisable in order to take possession of, hold, preserve, process, assemble, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral.

F. Grant extensions and compromise or settle claims with respect to the Collateral for less than face value, all without prior notice to Borrower.

G. Use or transfer any of Borrower's rights and interests in any Intellectual Property now owned or hereafter acquired by Borrower, if Lender deems such use or transfer necessary or advisable in order to take possession of, hold, preserve, process, assemble, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral. Borrower agrees that any such use or transfer shall be without any additional consideration to Borrower. As used in this paragraph, "Intellectual Property" includes, but is not limited to, all trade secrets, computer software, service marks, trademarks, trade names, trade styles, copyrights, patents, applications for any of the foregoing, customer lists, working drawings, instructional manuals, and rights in processes for technical manufacturing, packaging and labeling, in which Borrower has any right or interest, whether by ownership, license, contract or otherwise and all Collateral described in Section 1F through 1L hereof.

H. Have a receiver appointed by any court of competent jurisdiction to take possession of the Collateral.

I. Take such measures as Lender may deem necessary or advisable to take possession of, hold, preserve, process, assemble, insure, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any

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Collateral, and Borrower hereby irrevocably constitutes and appoints Lender as Borrower's attorney-in-fact to perform all acts and execute all documents in connection therewith.

8. MISCELLANEOUS.

A. In the event of a sale of Collateral (whether under power of sale herein granted, pursuant to judicial process or otherwise), Borrower will duly execute and acknowledge all documents necessary or advisable to record title to such Collateral in the name of the purchaser, including, without limitation, valid and recordable assignments of such Collateral.

B. Borrower hereby appoints Lender, effective upon the occurrence of an Event of Default hereunder, Borrower's attorney-in-fact, with full authority to take any action and to execute any instrument which the Lender may deem necessary or advisable to accomplish the purposes of this Agreement. Such appointment of Lender as Borrower's attorney-in-fact is coupled with an interest and is irrevocable.

C. Any waiver, express or implied, of any provision hereunder and any delay or failure by Lender to enforce any provision shall not preclude Lender from enforcing any such provision thereafter.

D. Borrower shall, at the request of Lender, execute such other agreements, documents, instruments, or financing statements in connection with this Agreement as Lender may reasonably deem necessary to carry out the intent of this Agreement.

E. All notes, security agreements, subordination agreements and other documents executed by Borrower or furnished to Lender in connection with this Agreement must be in form and substance reasonably satisfactory to Lender.

F. This Agreement shall be governed by and construed according to the laws of the State of California, to the jurisdiction of which the parties hereto submit.

G. All rights and remedies herein provided are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude the further exercise thereof or the exercise of any other right or remedy.

H. All terms not defined herein are used as set forth in the Uniform Commercial Code.

I. In the event of any action by Lender to enforce this Agreement or to protect the security interest of Lender in the Collateral, or to take possession of, hold, preserve, process, assemble, insure, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral, Borrower agrees to pay immediately the costs and expenses thereof, together with reasonable attorney's fees and allocated costs for in-house legal services.

J. This Agreement and any agreement or document attached hereto, referred to herein or executed concurrently herewith, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all oral negotiations and prior writings in respect to the subject matter hereof

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Dated: July 28, 1999.

Bank of America, N. A.

By: _____

Title: VICE PRESIDENT

Network Alchemy, Inc.

By: _____
Kenny Frerichs, President

By: _____
L. Stuart Vance, Secretary

EXHIBIT A

PATENTS

Country	Patent No.	Issue Date	Inventor(s) Name	Title

NONE

EXHIBIT A

PENDING PATENT APPLICATIONS

	Application	Application		
Country	Serial No.	Filing Date		
USA	09/196,941	11/20/98		
USA	09/197,018	11/20/98		

EXHIBIT A

TRADEMARKS AND SERVICE MARKS

State or Country	Registration No.	Registration Date	Trademark or Service Mark

NONE

EXHIBIT A

PENDING TRADEMARK AND
SERVICE MARK APPLICATIONS

State or Country	Application Serial No.	Application Filing Date	Trademark or Service Mark
USA	75/524,402	7/23/98	CRYPTOCLUSTER
USA	75/424,138	1/27/98	NETWORK ALCHEMY
USA	75/524,262	7/23/98	CRYPTOSTATION
USA	75/625,280	1/22/99	CRYPTOCONSOLE
AUSTRALIA	783864	1/25/99	CRYPTOCLUSTER
CANADA	1003090	1/22/99	CRYPTOCLUSTER
EC*	1056381	1/22/99	CRYPTOCLUSTER
Australia	783863	1/25/99	CRYPTOSTATION
CANADA	1003091	1/22/99	CRYPTOSTATION
EC	1056365	1/22/99	CRYPTOSTATION
AUSTRALIA	796498	6/7/99	CRYPTOCONSOLE
CANADA	(unassigned)	(unconfirmed)	CRYPTOCONSOLE
EC	(unassigned)	(unconfirmed)	CRYPTOCONSOLE

*EC means European Community (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Sweden, United Kingdom)

EXHIBIT A

COPYRIGHTS AND MASK WORKS

Registration No.	Registration Date	Copyright Owner's Name	Title of Work

NONE

EXHIBIT A

PENDING COPYRIGHT AND MASK WORK APPLICATIONS

Application Serial No.	Application Filing Date	Applicant's Name	Title of Work
	NONE		