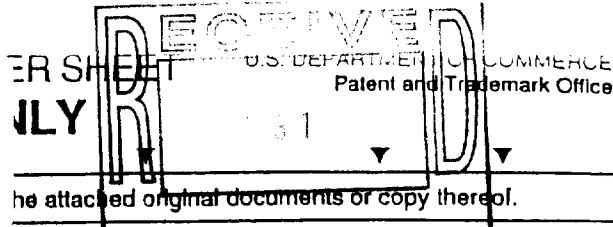


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09-03-1999



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Tab settings ▼

To the Honorable Commissioner

the attached original documents or copy thereof.

1. Name of conveying party(ies):

VERANO

- Individual(s)
- General Partnership
- Corporation-State
- 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: June 25, 1999

2. Name and address of receiving party(ies)

Name: SILICON VALLEY BANK
 Internal Address: ATTN: LOAN DOC. GROUP
 Street Address: 3003 TASMAN DRIVE
 City: SANTA CLARA State: CA ZIP: 95054

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State CALIFORNIA
- 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 patent number(s):

A. Trademark Application No.(s)

75-581,939
 75-458,489
 75-287,310

B. Trademark Registration No.(s)

Same as A

Additional numbers attached? Yes No

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

Name: SILICON VALLEY BANK
 Internal Address: ATTN: LOAN DOC GROUP
NC # 816
 Street Address: 3003 TASMAN DRIVE
 City: SANTA CLARA State: CA ZIP: 95054

6. Total number of applications and registrations involved: 3

7. Total fee (37 CFR 3.41).....\$ 90

- Enclosed # 8052
- Authorized to be charged to deposit account

8. Deposit account number:

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

09/02/1999 MTHA11 00000306 75581939

DO NOT USE THIS SPACE

01 FC:481 40.00 OP
 02 FC:482 50.00 OP

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.

Jacquelyn Le
 Name of Person Signing

[Signature]
 Signature

8/9/99
 Date

Total number of pages including cover sheet, attachments, and document: 6

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of June 25, 1999 by and between SILICON VALLEY BANK ("Bank") and VERANO, a California corporation ("Grantor").

RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodation to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement). Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

B. Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement, Grantor hereby agrees as follows:

AGREEMENT

To secure its Obligations to Bank under the Loan Agreement, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

IN WITNESS WHEREOF, the parties have cause this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

Address of Grantor:

411 Clyde Avenue
Mountain View, CA 94043

Attn: Chief Financial Officer

VERANO

By: *Aghavot*

Title: *President & CEO*

BANK:

Address of Bank:

3003 Tasman Drive
Santa Clara, CA 95054
Attn: Scott Wiebe

SILICON VALLEY BANK

By: *Scott Wiebe*

Title: *VP*

EXHIBIT A

Copyrights

Description

Registration/
Application
Number

Registration/
Application Date

EXHIBIT B

Patents

Description

Registration/
Application
Number

Registration/
Application Date

EXHIBIT C

Trademarks

| <u>Description</u> | <u>Registration/ Application Number</u> | <u>Registration/ Application Date</u> |
|----------------------------|---|---|
| Illuminar | 75-581,939 | November 3, 1998 |
| Openwrap | 75-458,489 | March 27, 1998 |
| Verano (Summer and Design) | 75-287,310 | May 6, 1997 |