

09-20-2000



101463356

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

9-8-00

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

Merger  Effective Date  
Month Day Year

Change of Name

Other

Conveying Party

Mark if additional names of conveying parties attached

Name  Execution Date  
Month Day Year

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

Citizenship/State of Incorporation/Organization

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.)

09/19/2000 MTHAI1 00000219 2358265

FOR OFFICE USE ONLY

01 FC:481

40.00 OP

**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  Attn:

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"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="2358265"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<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.

Sebastian Camua

09/07/00

Name of Person Signing

Signature

Date Signed

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of August 28, 2000 by and between SAND HILL CAPITAL II, LP ("Sand Hill") and Paraform, Inc., a California corporation ("Borrower"), with reference to the following facts:

Sand Hill and Borrower are parties to that certain loan agreement of even date (as amended from time to time, the "Loan Agreement"). Capitalized terms used herein have the meaning assigned in the Loan Agreement. Pursuant to the terms of the Loan Agreement, Borrower has granted to Sand Hill a security interest in all of Borrower's right, title and interest, whether presently existing or hereafter acquired, in, to and under the Collateral.

NOW, THEREFORE, Borrower agrees as follows:

To secure performance of its "Obligations" as defined in the Loan Agreement, Borrower grants to Sand Hill a security interest in the following (the "Collateral"): all of Borrower's right, title and interest in Borrower's Intellectual Property (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), 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).

Notwithstanding the foregoing, the Collateral shall not include any rights of Borrower under any contracts, licenses or agreements to the extent prohibited by law, or to the extent that any such contract, license or agreement contains a valid and enforceable provision prohibiting the grant of a security interest in Borrower's rights thereunder, or the assignment of Borrower's rights thereunder ("Excluded Contracts"). Borrower represents and warrants that it is not presently a party to any Excluded Contracts which are material to its business, or which give it rights to manufacture, sell or license any products or Intellectual Property, except as previously identified in writing by Borrower to Sand Hill under the Loan Agreement. Borrower will not, hereafter, enter into any Excluded Contract which is material to its business, or which gives it rights to manufacture, sell or license any products or Intellectual Property, unless such Excluded Contract may be assigned with the licensor's consent which will not be unreasonably withheld or may be assigned in connection with a sale of all or substantially all of the assets of Borrower or a merger by Borrower. Anything to the contrary notwithstanding, any contracts, licenses, or agreements by Stanford University in favor of Borrower which are material to Borrower's business, or which give Borrower rights to manufacture, sell or license any products or Intellectual Property (collectively, the "Stanford Material Contracts"), shall not constitute Excluded Contracts and, accordingly, the Stanford Material Contracts are expressly included in, and constitute part of, the Collateral.

Borrower represents and warrants that (i) listed on Schedule A hereto are all trademark registrations and pending registrations owned or controlled by Borrower or licensed to Borrower (other than Excluded Contracts), (ii) listed on Schedule B are all patents and patent applications owned or controlled by Borrower or licensed to Borrower (other than Excluded Contracts), and (iii) listed on Schedule C are all of Borrower's software, computer programs and other works of authorship subject to United States copyright protection (other than off-the-shelf software licensed to Borrower on a non-exclusive basis), including, without limitation, those for which the sale, licensing or other disposition results in royalties receivable, license fees receivable, accounts receivable or other sums owing to Borrower, owned or controlled by Borrower or licensed to Borrower (other than Excluded Contracts). Borrower will register or apply for registration (to the extent not already registered) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, on or before the date of this Agreement, those intellectual property rights listed on Schedules A, B and C hereto, and provide evidence of the same to Sand Hill on or before such date. Borrower will promptly register all additional Intellectual Property rights developed or acquired by Borrower from time to time hereafter, and Borrower will execute such documents and take such other actions as Sand Hill may reasonably request to perfect the security interest granted in all Intellectual Property; provided that registration of software upgrades developed by Borrower from time to time hereafter shall only be required for major upgrades and not updates and small releases.

This security interest is granted in conjunction with the security interest granted to Sand Hill under the Loan Agreement. Each right, power and remedy of Sand Hill provided for herein shall not preclude the simultaneous or later exercise by Sand Hill of any or all other rights, powers or remedies.

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed as of the first date written above.

Address of Borrower:

PARAFORM, INC.

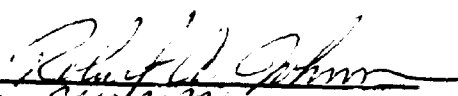
3052 Bunker Hill Lane, Suite 200  
Santa Clara, California 95054  
Attn: Mr. Charles Schaefer

By   
Title CEO

Address of Sand Hill:

SAND HILL CAPITAL II, LP

3000 Sand Hill Road  
Building 2, Suite 110  
Menlo Park, CA 94025  
Attn: Robert Johnson

By   
Title PRINCIPAL

Form: Version -2 7/31/00

SCHEDULE A

Trademarks

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
Paraform	2358265	6/16/2000

SCHEDULE B

Patents

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
Creating and Modifying Parameterizations of Surfaces	09/196,337	11/19/1998
Methods for Manipulating Curves Constrained to Unparameterized Surfaces	09/133,939	08/14/1998
Parameterized Surface Fitting Technique Having Independent Control of Fitting and Parameterization	09/209,636	12/10/1998
Software License Agreement, dated as of 10/9/1997, as amended by Amendment No. 1 thereto, dated as of 07/15/1998, with Stanford University		

SCHEDULE C

Copyrights

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
Paraform v1.5		8/24/00
Paraform v2.0		8/24/00
*OEM Software License Agreement, dated as of 12/31/1998, with Spatial Technology, Inc.		
*Software License Agreement, dated as of 11/4/1999, with Applied Metrology, Inc.		
*any executed license documentation or letter of intent relative thereto with Brock Rooney & Associates		
*Software License Agreement, dated as of 3/27/2000, with Stanford University		
*PDE/Lib Development License Agreement dated 1/13/2000, with International Technegroup Inc.		

\*. These licenses have been listed to ensure that the Company complies with all required disclosures. By listing these licenses on this Exhibit, the Company is not making any determination as to whether the licensor's rights in the licensed materials constitute registered COPYRIGHTS OR "ARE SUBJECT TO UNITED STATES COPYRIGHT PROTECTIONS."