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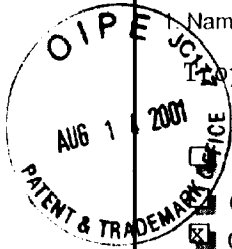
Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)
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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office



101815948

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



Name of conveying party(ies):
Topic Networks Inc. *8/14/01*

- Individual(s)
- General Partnership
- Corporation-State Canada
- 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: July 12, 2001

2. Name and address of receiving party(ies)

Name: Silicon Valley Bank
DBA: Silicon Valley East
Internal Address:

Street Address: 3003 Tasman Drive

City: Santa Clara State: CA Zip: 95054

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other CA-Chartered Bank

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)
76/172,857 76/172,855
78/060,969 76/172,699

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: Christopher E. Kondracki

Internal Address:

Street Address: 2001 Jefferson Davis, Hwy.,

Suite 505

City: Arlington State: VA Zip: 22202

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

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.

Christopher E. Kondracki
Name of Person Signing

Christopher E. Kondracki
Signature

8/14/01
Date

Total number of pages including cover sheet, attachments, and document: 22

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

08/20/2001 DBYRNE 00000005 76172857

01 FC:481
02 FC:482

40.00 OP
75.00 OP

Receiving Party(es)

Transamerica Commercial Finance Corporation, Canada
201 City Centre Drive
Suite 500
Mississauga, Ontario L5B 2T4

GATX/MM Venture Partners
Sun Life Centre
150 King Street West
Toronto, Canada

INTELLECTUAL PROPERTY SECURITY AGREEMENT



This Intellectual Property Security Agreement (this "IP Agreement") is made as of the 12 day of July, 2001 by and between **TROPIC NETWORKS INC.**, a Canadian corporation with its principal place of business at 135 Michael Cowpland Drive- Suite 200, Kanata, Ontario, Canada ("Grantor"), and **SILICON VALLEY BANK**, a California-chartered bank, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 and with a loan production office located at One Newton Executive Park, Suite 200, 2221 Washington Street, Newton, Massachusetts 02462, doing business under the name "Silicon Valley East", as agent for itself and the lenders party to the Loan Agreement (defined below), **TRANSAMERICA COMMERCIAL FINANCE CORPORATION, CANADA** a Canadian corporation, with its principal place of business at 201 City Centre Drive, Suite 500, Mississauga, Ontario L5B 2T4, and **GATX/MM VENTURE PARTNERS**, a partnership with its principal place of business at Sun Life Centre, 150 King Street West, Toronto, Canada (collectively the "Lender").

RECITALS

A. Lender has agreed to make advances of money and to extend certain financial accommodations to Grantor (the "Loan"), pursuant to a certain Loan and Security Agreement dated as of July 12, 2001 between Grantor and Lender, as amended from time to time (as amended, the "Loan Agreement"). The Loan is secured pursuant to the terms of the Loan Agreement. Lender is willing to enter into certain financial accommodations with Grantor, but only upon the condition, among others, that Grantor shall grant to Lender a security interest in certain Copyrights, Trademarks, Patents, and Mask Works, and other assets, to secure the obligations of Grantor under the Loan Agreement. Defined terms used but not defined herein shall have the same meanings as in the Loan Agreement.

B. Pursuant to the terms of the Loan Agreement, Grantor has granted to Lender 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 (as defined therein).

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged and intending to be legally bound, as collateral security for the prompt and complete payment when due of Grantor's Indebtedness (as defined below), Grantor hereby represents, warrants, covenants and agrees as follows:

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged and intending to be legally bound, as collateral security for the prompt and complete payment when due of Grantor's Indebtedness (as defined below), Grantor hereby represents, warrants, covenants and agrees as follows:

2. Grant of Security Interest. Subject to Section 16, as collateral security for the prompt and complete payment and performance of all of Grantor's present or future indebtedness, obligations and liabilities to Lender (hereinafter, the "Indebtedness"), including, without limitation, under the Loan Agreement, Grantor hereby grants a security interest in all of Grantor's right, title and interest in, to and under its registered and unregistered intellectual property collateral (all of which shall collectively be called the "Intellectual Property Collateral"), including, without limitation, the following:

(a) Any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including without limitation those set forth on EXHIBIT A attached hereto (collectively, the "Copyrights");

(b) Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products, including source code and object code, now or hereafter existing, created, acquired or held. Software means all computer programs and databases and portions of each of the

foregoing owned by Grantor in whatever form and on whatever medium those programs or databases are expressed, fixed embodied or stored from time to time, and the copyright therein, including after giving effect to the Acquisition, including, without limitation, those list on **EXHIBIT A**. Software includes both the object code and the source code versions of each such program and portions thereof and all corrections, updates, enhancements, translations, modifications, adaptations and new versions thereof together with both the media upon or in which such programs, databases and portions thereof are expressed, fixed, embodied or stored (such as disks, diskettes, tapes and semiconductor chips) and all flow charts, manuals, instructions, documentation and other material relating thereto.

(c) Any and all design rights which may be available to Grantor now or hereafter existing, created, acquired or held including, without limitation, those set forth on **EXHIBIT A**;

(d) All patents, patent applications and like protections including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including without limitation the patents and patent applications set forth on **EXHIBIT B** attached hereto (collectively, the "Patents");

(e) Any trademark and service mark rights, slogans, trade dress, and tradenames, whether registered or not, applications to register and registrations of the same and like protections (excluding any intent to use filings), and the entire goodwill of the business of Grantor connected with and symbolized by such trademarks, including without limitation those set forth on **EXHIBIT C** attached hereto (collectively, the "Trademarks");

(f) All mask works or similar rights available for the protection of semiconductor chips, now owned or hereafter acquired, including, without limitation those set forth on **EXHIBIT D** attached hereto (collectively, the "Mask Works");

(g) Any and all claims for damages by way of past, present and future infringements of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(h) All licenses or other rights to use any of the Copyrights, Patents, software, designs, Trademarks, or Mask Works and all license fees and royalties arising from such use to the extent permitted by such license or rights, including, without limitation those set forth on **EXHIBIT E** attached hereto; and

(i) All amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks, Patents, or Mask Works; and

(j) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

2. **Exception Regarding Last Day.** The last day of the term of each license granted to Grantor pursuant to any licensee license agreements shall be excepted from this IP Security Agreement and shall not form part of the Intellectual Property Collateral. Grantor shall stand possessed of that day in trust to assign and dispose of it as Agent directs.

3. **Authorization and Request.** Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this IP Agreement.

4. **Covenants and Warranties.** Grantor represents, warrants, covenants and agrees as follows:

(a) Grantor is now the sole owner of the Intellectual Property Collateral, except for non-exclusive licenses granted by Grantor to its customers in the ordinary course of business, and (b) those rights licensed from third parties.

- (b) Performance of this IP Agreement does not conflict with or result in a breach of any IP Agreement to which Grantor is bound, except to the extent that certain intellectual property agreements prohibit the assignment of the rights thereunder to a third party without the licensor's or other party's consent and this IP Agreement constitutes a security interest.
- (c) During the term of this IP Agreement, Grantor will not transfer or otherwise encumber any interest in the Intellectual Property Collateral, except for non-exclusive licenses granted by Grantor in the ordinary course of business or as set forth in this IP Agreement;
- (d) To its knowledge, each of the Patents is valid and enforceable, and no part of the Intellectual Property Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Intellectual Property Collateral violates the rights of any third party;
- (e) Grantor shall promptly advise Lender of any material adverse change in the composition of the Collateral.
- (f) Grantor shall promptly advise Lender of any subsequent ownership right of the Grantor in or to any Trademark, Patent, Copyright, or Mask Work specified in this IP Agreement.
- (g) All source codes for proprietary software (other than off-the-shelf applications software) used in the computer system of Grantor are subject to escrow arrangements that would enable Grantor to have access to such source codes in the event of the applicable licensor's insolvency or failure or refusal to maintain or provide support for the software;
- (h) Grantor shall (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents, Copyrights, and Mask Works, (ii) use its best efforts to detect infringements of the Trademarks, Patents, Copyrights, and Mask Works and promptly advise Lender in writing of material infringements detected and (iii) not allow any material Trademarks, material Patents, material Copyrights, or material Mask Works to be abandoned, forfeited or dedicated to the public without the written consent of Lender, which shall not be unreasonably withheld, unless Grantor determines that reasonable business practices suggest that abandonment is appropriate.
- (i) Grantor shall promptly register the most recent version of any of Grantor's Copyrights, if not so already registered, and shall, from time to time, execute and file such other instruments, and take such further actions as Lender may reasonably request from time to time to perfect or continue the perfection of Lender's interest in the Intellectual Property Collateral;
- (j) This IP Agreement creates, and in the case of after acquired Intellectual Property Collateral, this IP Agreement will create at the time Grantor first has rights in such after acquired Intellectual Property Collateral, in favor of Lender a valid and perfected first priority security interest and collateral assignment in the Intellectual Property Collateral in the United States and Canada securing the payment and performance of the obligations evidenced by the Loan Agreement upon making the filings referred to in clause (i) below;
- (k) To its knowledge, except for, and upon, the filing with the Canadian Intellectual Property Office and the United States Patent and Trademark office with respect to the Patents and Trademarks and the Register of Copyrights with respect to the Copyrights and Mask Works necessary to perfect the security interests created hereunder and except as has been already made or obtained, no authorization, approval or other action by, and no notice to or filing with, any U.S. or Canadian governmental authority or U.S. or Canadian regulatory body is required either (i) for the grant by Grantor of the security interest granted hereby, or for the execution, delivery or performance of this IP Agreement by Grantor in the U.S. and Canadian or (ii) for the perfection in the United States and Canada or the exercise by Lender of its rights and remedies thereunder;

(l) All information heretofore, herein or hereafter supplied to Lender by or on behalf of Grantor with respect to the Intellectual Property Collateral is accurate and complete in all material respects.

(m) Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Lender's prior written consent, which consent shall not be unreasonably withheld. Grantor shall not permit the inclusion in any material contract to which it becomes a party of any provisions that could or might in any way prevent the creation of a security interest in Grantor's rights and interest in any property included within the definition of the Intellectual property Collateral acquired under such contracts.

(n) Upon any executive officer of Grantor obtaining actual knowledge thereof, Grantor will promptly notify Lender in writing of any event that materially adversely affects the value of any material Intellectual Property Collateral, the ability of Grantor to dispose of any material Intellectual Property Collateral of the rights and remedies of Lender in relation thereto, including the levy of any legal process against any of the Intellectual Property Collateral.

5. Lender's Rights. Lender shall have the right, but not the obligation, to take, at Grantor's sole expense, any actions that Grantor is required under this IP Agreement to take but which Grantor fails to take, after fifteen (15) days' notice to Grantor. Grantor shall reimburse and indemnify Lender for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this section 4.

6. Inspection Rights. Grantor hereby grants to Lender and its employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable written notice to Grantor, any of Grantor's plants and facilities that manufacture, install or store products (or that have done so during the prior six-month period) that are sold utilizing any of the Intellectual Property Collateral, and to inspect the products and quality control records relating thereto upon reasonable written notice to Grantor and as often as may be reasonably requested, but not more than once in every six (6) months; provided, however, nothing herein shall entitle Lender access to Grantor's trade secrets and other proprietary information.

7. Further Assurances; Attorney in Fact.

(a) On a continuing basis, but subject to Section 16, Grantor will, subject to any prior licenses, encumbrances and restrictions and prospective licenses, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States and Canada, all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the Canadian Intellectual Property Office and the United States Patent and Trademarks Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as requested by Lender, to perfect Lender's security interest in all Copyrights, Patents, Trademarks, and Mask Works and otherwise to carry out the intent and purposes of this IP Agreement, or for assuring and confirming to Lender the grant or perfection of a security interest in all Intellectual Property Collateral.

(b) Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, Lender or otherwise, from time to time in Lender's discretion, upon Grantor's failure or inability to do so, to take any action and to execute any instrument which Lender may deem necessary or advisable to accomplish the purposes of this IP Agreement, including:

(i) To modify, in its sole discretion, this IP Agreement without first obtaining Grantor's approval of or signature to such modification by amending Exhibit A, Exhibit B, Exhibit C, and Exhibit D hereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents, Trademarks or Mask Works acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents, Trademarks, or Mask Works in which Grantor no longer has or claims any right, title or interest; and

(ii) To file, in its sole discretion, one or more financing, financing change or continuation statements and amendments thereto, relative to any of the Intellectual Property Collateral without the signature of Grantor where permitted by law.

8. Events of Default. The occurrence of any of the following shall constitute an Event of Default under this IP Agreement:

(a) An Event of Default occurs under the Loan Agreement; or any document from Grantor to Lender; or

(b) Grantor breaches any warranty or agreement made by Grantor in this IP Agreement.

9. Remedies. Upon the occurrence and continuance of an Event of Default, Lender shall have the right to exercise all the remedies of a secured party under the Massachusetts Uniform Commercial Code and the PPSA, including without limitation including acceleration of the indebtedness, the right to require Grantor to assemble the Intellectual Property Collateral and any tangible property in which Lender has a security interest and to make it available to Lender at a place designated by Lender. Lender shall have a nonexclusive, royalty free license to use the Copyrights, Patents, Trademarks, and Mask Works to the extent reasonably necessary to permit Lender to exercise its rights and remedies upon the occurrence of an Event of Default. Grantor will pay any expenses (including reasonable legal and attorney's fees) incurred by Lender in connection with the exercise of any of Lender's rights hereunder, including without limitation any expense incurred in disposing of the Intellectual Property Collateral. All of Lender's rights and remedies with respect to the Intellectual Property Collateral shall be cumulative.

10. Appointment of Receiver. Upon default, Agent may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of Agent or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Intellectual Property Collateral (including any proceeds) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of Grantor and not of Agent or Lender, and neither Agent nor lender shall be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, its servants, agents or employees. Subject to the provisions of the instrument appointing him, any such Receiver shall have power to take possession of Intellectual Property Collateral, to preserve Intellectual Property Collateral or its value and to sell, license or otherwise dispose of or concur in selling, licensing or other disposing of Intellectual Property Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others including Grantor, enter upon, use and occupy all premises owned or occupied by Grantor wherein Intellectual Property Collateral may be situated, maintain Intellectual Property Collateral upon such premises, borrow money on a secured or unsecured basis and use Intellectual Property Collateral as security for loans or advances, as such Receiver shall, in its discretion, determine. Except as maybe otherwise directed by Agent, all money received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to Agent. Every such Receiver may, in the discretion of the Agent, be vested with all and any of the rights and powers of Agent. THE LENDERS AND THE AGENT ACKNOWLEDGE AND AGREE THAT NOTHING IN THIS SECTION 10 SHALL BE DEEMED TO CONSTITUTE A WAIVER OF THE GRANTOR'S RIGHT TO FILE FOR PROTECTION UNDER TITLE 11 OF THE UNITED STATES CODE AT ANY TIME PRIOR TO THE APPOINTMENT OF A RECEIVER, TRUSTEE OR SIMILAR OFFICIAL.

11. Exercise of Rights by Agent. Upon default, Agent may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of Section 9.

12. Taking Possession of Intellectual Property. Upon default, Agent may take possession of, collect, demand, sue on, enforce, recover and receive Intellectual Property Collateral and give valid and binding receipts and discharges therefor and in respect thereof, and, Agent may sell, license or otherwise dispose of Intellectual Property Collateral in such manner at such time or times and place or places, for such consideration and upon such terms and conditions as to Agent may seem reasonable.

13. Rights and Remedies of Agent under PPSA and the Code. In addition to those rights granted herein and in any other agreement now or hereafter in effect between Grantor and Agent and in addition to any other rights Agent may have at law or in equity, Agent shall have, both before and after default, all rights and remedies of a secured party under the PPSA and the Code. Provided always, that Agent shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, license or otherwise dispose of Intellectual Property Collateral or to institute any proceedings for such purposes. Furthermore, Agent shall have no obligation to take any steps to preserve rights against prior parties to any Instrument (as defined in the PPSA) or Chattel Paper (as defined in the PPSA) whether Intellectual Property Collateral or proceeds and whether or not in Agent's possession and shall not be liable or accountable for failure to do so.

14. Cooperation of Grantor with respect to Taking Possession. Grantor acknowledges that Agent or any Receiver appointed by it may take possession of Intellectual Property Collateral wherever it may be located and by any method permitted by law and Grantor agrees upon request from Agent or any such Receiver to assemble and deliver possession of Intellectual Property Collateral at such place or places as directed.

15. Costs. Grantor agrees to pay all reasonable cost, charges and expenses reasonably incurred by Agent or any Receiver appointed by it, whether directly or for services rendered (including reasonable legal counsels' and auditors' costs and other legal expenses and Receiver remuneration), in operating Grantor's accounts, in preparing or enforcing this IP Agreement, taking and maintaining custody of, preserving, registering, licensing, preparing for disposition and disposing of Intellectual Property Collateral and in enforcing or collecting the Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by Agent or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Intellectual Property Collateral and shall be secured hereby.

16. Notice of Sale. Agent will give Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Intellectual Property Collateral is to be made, as may be required by the PPSA or the Code.

17. Indemnity. Grantor shall pay, indemnify, and hold Agent and each Lender and each of their respective officers, directors, employees, counsel, partners, agents and attorneys-in-fact (each, an "Indemnified Person") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses or disbursements (including Agent's Expenses, Lenders' Expenses and reasonable attorney's fees and the allocated cost of in-house counsel) of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement and any other Loan Documents, or the transactions contemplated hereby and thereby, and with respect to any investigation, litigation or proceeding (including any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, winding-up, reorganization, insolvency, liquidation, dissolution or relief of debtors or any appellate proceeding) related to this Agreement or the Loans or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the "Indemnified Liabilities"); provided, that Borrower shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities arising from the gross negligence or willful misconduct of such Indemnified Person.

18. Reassignment. At such time as Grantor shall completely satisfy all of the obligations secured hereunder or Section 16 shall apply, Lender shall execute and deliver to Grantor all deeds, assignments, and other instruments as may be necessary or proper to reinvest in Grantor full title to the property assigned hereunder, subject to any disposition thereof which may have been made by Lender pursuant hereto.

19. Course of Dealing. No course of dealing, nor any failure to exercise, nor any delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

20. Amendments. This IP Agreement may be amended only by a written instrument signed by both parties hereto.

21. Survival and Reliance. All representations and warranties of Grantor made in this IP Agreement or in any certificate or other document delivered by or on behalf of Grantor for the benefit of Agent and Lender are material and shall continue without time limit. Agent and Lender shall be deemed to have relied upon each such representation and warranty despite any investigation Agent or Lender may have made.

22. License/Assignment of Intellectual Property. For the purpose of enabling Agent or any Receiver to exercise the rights and remedies under Section 9 (including without limiting the terms of Section 9, in order to take possession of, hold, preserve, process, assemble, prepare for sale, market for sale, sell or otherwise dispose of Intellectual Property Collateral) at such time as Agent shall be lawfully entitled to exercise such rights and remedies, Grantor hereby grants to Agent, for the benefit of Agent and Lender, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to Grantor) to use, license or sublicense any Intellectual Property now owned or hereafter acquired by Grantor, and wherever the same may be located, and included in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. In addition, upon receiving written demand from Agent after a default has occurred, Grantor shall assign the Intellectual Property to whomever Agent directs, including to Agent.

23. Grantor Remains Liable. Notwithstanding any other provision in this IP Agreement, Grantor shall remain liable under all license agreements. Grantor shall perform all of its duties and obligations thereunder just as if this IP Agreement had not been executed. Grantor shall not be released from any of its duties or obligations under the license agreements by the exercise of any rights by Agent. Agent shall not have any obligations or liability under the license agreements by reason of this IP Agreement, nor shall Agent be obliged to perform any of the obligations or duties of Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder. The rights and powers conferred on Agent hereunder are solely to protect its interest in the Intellectual Property Collateral and shall not impose any duty upon it to exercise any such powers.

24. Counterparts. This IP Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

25. Law and Jurisdiction. This IP Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. GRANTOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE COMMONWEALTH OF MASSACHUSETTS IN ANY ACTION, SUIT, OR PROCEEDING OF ANY KIND, AGAINST IT WHICH ARISES OUT OF OR BY REASON OF THIS AGREEMENT.

GRANTOR AND LENDER EACH HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

26. Confidentiality. All information (other than periodic reports filed by Grantor with the Securities and Exchange Commission) disclosed by Grantor to Lenders in writing or through inspection pursuant to this Agreement that is marked confidential shall be considered confidential. Lenders agree to use the same degree of care to safeguard and prevent disclosure of such confidential information as Lenders uses with its own confidential information, but in any event no less than a reasonable degree of care. Lenders shall not disclose such information to any third party (other than Lenders' or Lenders' partner's attorneys, counsel, governmental regulators, and auditors, or to a Lenders' subsidiaries and affiliates for the purposes of evaluating Lenders' rights, subject to the same confidentiality obligation set forth herein) and shall use such information only for purposes of evaluation of its

investment in Grantor and the exercise of Lenders' rights and the enforcement of their remedies under this Agreement and the other Loan Documents. The obligations of confidentiality shall not apply to any information that (a) was known to the public prior to disclosure by Grantor under this Agreement, (b) becomes known to the public through no fault of Lenders, (c) is disclosed to Lenders by a third party having a legal right to make such disclosure, or (d) is independently developed by Lenders. Notwithstanding the foregoing, Lenders' agreement of confidentiality shall not apply if Lender has acquired indefeasible title to any Collateral or in connection with any enforcement or exercise of Lenders' rights and remedies under this Agreement following an Event of Default, including the enforcement of Lenders' security interest in the Collateral.

27. **Termination of IP Agreement.** The Lender shall release this IP Agreement upon the occurrence of each of the following, provided that there is then existing no Event of Default under the Loan Agreement: (i) Grantor has repaid sixty (60) percent of the Credit Amount, and (ii) Grantor has adequate reserves to support twelve (12) months of operations, in the reasonable opinion of the Lender.

28. **Attachment.** The Security Interest created hereby is intended to attach when this IP Agreement is signed by Grantor and delivered to Agent.

29. **Acknowledgment.** Grantor hereby acknowledges receipt of a copy of this IP Agreement.

30. **Registration of IP Agreement.** Grantor hereby acknowledges that Agent may register a copy of this IP Agreement or notice thereof. Grantor shall cooperate with and assist Agent, as requested by Agent, with respect to any registrations or notice registrations of or relating to this IP Agreement with Agent deems appropriate.

31. **Severability of Provisions.** Each provision of this Agreement shall be several from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

32. **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the respective successors and permitted assigns of each of the parties; provided, however, that neither this Agreement nor any rights hereunder may be assigned by Borrower without each Lender's prior written consent, which consent may be granted or withheld in Lenders' sole discretion. Each Lender shall have the right without the consent of or notice to Borrower to sell, transfer, negotiate, or grant participation's in all or any part of, or any interest in such Lender's rights and benefits hereunder. Agent shall have the right to resign as Agent hereunder without Borrower's consent and pursuant to the terms of a separate intercreditor agreement entered into between the Lenders.

EXECUTED as a sealed instrument under the laws of the Commonwealth of Massachusetts on the day and year first written above.

Address of Grantor:

135 Michael Cowpland Drive- Suite 200,
Kanata, Ontario, Canada

GRANTOR:

TROPIC NETWORKS INC.

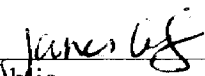
By: 

Name: Kevin Rankin

Title: President

SILICON VALLEY BANK

On this 12 day of July, 2001 before me personally appeared Kevin Rankin, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Tropic Networks, Inc., who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.



Notary Public

27. Termination of IP Agreement. The Lender shall release this IP Agreement upon the occurrence of each of the following, provided that there is then existing no Event of Default under the Loan Agreement: (i) Grantor has repaid sixty (60) percent of the Credit Amount, and (ii) Grantor has adequate reserves to support twelve (12) months of operations, in the reasonable opinion of the Lender.

28. Attachment. The Security Interest created hereby is intended to attach when this IP Agreement is signed by Grantor and delivered to Agent.

29. Acknowledgment. Grantor hereby acknowledges receipt of a copy of this IP Agreement.

30. Registration of IP Agreement. Grantor hereby acknowledges that Agent may register a copy of this IP Agreement or notice thereof. Grantor shall cooperate with and assist Agent, as requested by Agent, with respect to any registrations or notice registrations of or relating to this IP Agreement with Agent deems appropriate.

31. Severability of Provisions. Each provision of this Agreement shall be several from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

32. Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and permitted assigns of each of the parties; provided, however, that neither this Agreement nor any rights hereunder may be assigned by Borrower without each Lender's prior written consent, which consent may be granted or withheld in Lenders' sole discretion. Each Lender shall have the right without the consent of or notice to Borrower to sell, transfer, negotiate, or grant participation's in all or any part of, or any interest in such Lender's rights and benefits hereunder. Agent shall have the right to resign as Agent hereunder without Borrower's consent and pursuant to the terms of a separate intercreditor agreement entered into between the Lenders.

EXECUTED as a sealed instrument under the laws of the Commonwealth of Massachusetts on the day and year first written above.

Address of Grantor:

GRANTOR:

TROPIC NETWORKS, INC.

By: _____

Name: _____

Title: _____

SILICON VALLEY BANK

By: Dale C. Edmunds

Name: Dale C. Edmunds

Title: SVP

TRANSAMERICA COMMERCIAL FINANCE CORPORATION, CANADA

By: _____

Name: _____

Title: _____

GATX/MM VENTURE FINANCE PARTNERSHIP

By its Partner

MM VENTURE PARTNERS

By:  _____

Name: Minhas Mohamed

Title: Managing Partner

STATE OF _____)
) ss:
COUNTY OF _____)

On this ___ day of _____, 2001 before me personally appeared _____, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of TROPIC NETWORKS, INC., who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

STATE OF _____)
)ss:
COUNTY OF _____)

On this ___ day of _____, 2001 before me personally appeared _____, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of SILICON VALLEY BANK,, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

PROVINCE OF ONTARIO)
) ss.:
MUNICIPALITY OF TORONTO)

On this ___ day of _____, 2001 before me personally appeared _____, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of TRANSAMERICA COMMERCIAL FINANCE CORPORATION, CANADA, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

PROVINCE OF ONTARIO)
) ss.:
MUNICIPALITY OF TORONTO)

On this 6th day of July, 2001 before me personally appeared Markus Meloni, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of GATX/MM VENTURE FINANCE PARTNERSHIP by its partner MM VENTURE PARTNERS, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.



Notary Public

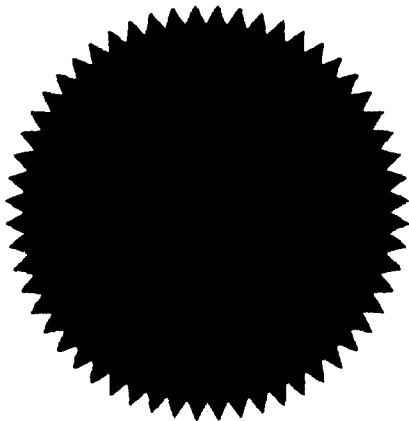


Exhibit "A" attached to that certain Intellectual Property Security Agreement dated July 12, 2001.

EXHIBIT "A"

COPYRIGHTS

SCHEDULE A - ISSUED COPYRIGHTS

None.

SCHEDULE B - PENDING COPYRIGHT APPLICATIONS

None.

SCHEDULE C - UNREGISTERED COPYRIGHTS

(Where No Copyright Application is Pending)

Tropic Networks Inc. has developed and will develop proprietary software to support its optical networking systems and products.

Exhibit "B" attached to that certain Intellectual Property Security Agreement dated July 12, 2001

Exhibit "B"
PATENTS

Formal Patent Applications

<i>Total "families"</i>	<i>Total filed:</i>	<i>Our ref:</i>	<i>Country:</i>	<i>Inventor(s):</i>	<i>Title:</i>	<i>Serial No:</i>	<i>Filing date:</i>
01.	01.	TR-001	U.S.A.	BACQUE, et al	Optical Multiplexer, Demultiplexer and Methods	09/839,487	23 April 2001
	02.	TR-001	Canada	BACQUE, et al	Optical Multiplexer, Demultiplexer and Methods	2,344,541	24 April 2001
02.	03.	TR-016	U.S.A.	WATTERS, et al	Front Panel for Optoelectronic Shelf (Design Parent)	29/142,332	24 May 2001
	04.	TR-016	Canada	WATTERS, et al	Front Panel for Optoelectronic Shelf (Industrial Design)	2001-1300	24 May 2001
03.	05.	TR-032	U.S.A.	HARRIS, et al	Module and Method for Interconnecting Optoelectronic Cards	09/866,785	30 May 2001
	06.	TR-032	Canada	HARRIS, et al	Module and Method for Interconnecting Optoelectronic Cards	2,349,494	30 May 2001
04.	07.	TR-010	U.S.A.	PIEDA	Methods and Apparatus for Selecting Multiple Paths Taking Into Account Shared Risk	---	14 June 2001
	08.	TR-010	Canada	PIEDA	Methods and Apparatus for Selecting Multiple Paths Taking Into Account Shared Risk	---	14 June 2001
05.	09.	TR-051	U.S.A.	SKEMER (SEDONA)	TDM-Quality Voice Over Packet	09/419,471	15 October 1999
06.	10.	TR-052	U.S.A.	SKEMER (SEDONA)	A Method of Labelling Data Units With A Domain Field	09/464,452	10 December 1999

07.	11.	TR-053	Canada	SKEMER (SEDONA)	Distributed Subscriber Management System	2,296,293	14 January 2000
	12.	TR-053	U.S.A.	SKEMER (SEDONA)	Distributed Subscriber Management System	09/755,037	8 January 2001
08.	13.	TR-025	U.S.A.	MARK, et al	Extension of Link Aggregation Protocols Over The Network	09/879,939	14 June 2001
	14.	TR-025	Canada	MARK, et al	Extension of Link Aggregation Protocols Over The Network	2,350,673	15 June 2001
09.	15.	TR-002	U.S.A.	KELLY, et al	Automated Optical Patch Panel Implementation	---	15 June 2001
	16.	TR-002	Canada	KELLY, et al	Automated Optical Patch Panel Implementation	---	15 June 2001
10.	17.	TR-030	U.S.A.	GANTL, et al	Cascaded Policing Systems and Methods	---	29 June 2001
	18.	TR-030	Canada	GANTL, et al	Cascaded Policing Systems and Methods	---	29 June 2001
11.	19.	TR-003	U.S.A.	LIU, et al	Add/Drop Multiplexing in WDM Optical Networks	---	6 July 2001
	20.	TR-003	Canada	LIU, et al	Add/Drop Multiplexing in WDM Optical Networks	---	6 July 2001
12.	21.	TR-038	U.S.A.	JIN, Dongxing	Real-Time Method for Bit-Reversal of Large Size Arrays	---	9 July 2001
	22.	TR-038	Canada	JIN, Dongxing	Real-Time Method for Bit-Reversal of Large Size Arrays	---	9 July 2001

Provisional Patent Applications

No.:	Ref. No.	Jurisdiction	Inventor	Title	Serial No.:	Filing date:	Division / Comments:
1	TR-008	U.S.A.	ZBORIL, et al	Interposer Chip for Protocol Translation	60/286,670	37007	
2	TR-009	U.S.A.	JONES	Load Sharing on Redundant Systems	60/289,545	37019	
03.	TR-011	U.S.A.	KASVAND HARRIS	Method and Apparatus for Controlling Allocation and Stacking of MPLS Labels in Telecommunications Networks	60/290,633	15 May 2001	
04.	TR-012	U.S.A.	MARK	Fast Link State Propagation Method and System	60/290,386	14 May 2001	
05.	TR-006	U.S.A.	LIU	Flexible Node Architecture for Optical Networks	60/290,633 60/292,587	23 May 2001	
06.	TR-040	U.S.A.	ZBORIL	Fault Tolerant Flow Control Mechanism	60/301,132	28 June 2001	
07.	TR-049	U.S.A.	MARK	Broadcast/Multicast in an MPLS VP	-	25 June 2001	
08.	TR-042	U.S.A.	LIU	Tunable Optical Coupler	60/301,808	2 July 2001	
09.	TR-031	U.S.A.	HARRIS	Stacked Backplane Assembly	60/302,679	4 July 2001	
10.	TR-067	U.S.A.	LEE, BJ	Protection Requirements in RPR Interconnection	60/303,779	10 July 2001	
11.	TR-047	U.S.A.	BRAUN	Method for Assigning Pass Through Connections Within a Network Node	-	11 July 2001	

Exhibit "C" attached to that certain Intellectual Property Security Agreement dated July 12, 2001.

EXHIBIT "C"

TRADEMARKS

<i>No.</i>	<i>Ref No.</i>	<i>Description</i>		<i>Filing Date</i>	<i>Serial No.</i>
01.	TM-001	Tropic Networks (word combination)	U.S.A.	November 29, 2000	76/172,857
02.	TM-002	Tropic Networks (word combination)	Canada	May 31, 2000	1,061,350
03.	TM-003	Tropic Networks (word combination)	U.S.A.	April 28, 2001	78/060,969
04.	TM-004	Tropic Networks (community trademark)	EP	Instructed o/s agent to file in June 2001	1,061,005
05.	TM-010	IPOPTIC	U.S.A.	November 29, 2000	76/172,855
06.	TM-011	IPOPTIC	Canada	June 1, 2000	1,061,568
07.	TM-020	ETHEROPTIC	U.S.A.	November 29, 2000	76/172,699
08.	TM-021	ETHEROPTIC	Canada	June 1, 2000	1,061,567
09.	TM-030	λ (lambda design)	Canada	June 1/01	1,105,049
10.	TM-060	Resilient Packet Mesh	Canada	June 1/01	1,105,050
11.	TM-080	RPM	Canada	June 1/01	1,105,051

Exhibit "D" attached to that certain Intellectual Property Security Agreement dated July 12, 2001.

EXHIBIT "D"

MASK WORKS

None.

12, 2001. Exhibit "E" attached to that certain Intellectual Property Security Agreement dated July

EXHIBIT "E"

LICENSES GRANTED

None.