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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)
Tab settings

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

1. Name of conveying party(ies):

General Bandwidth Inc.

1-3-02

- Individual(s)
- General Partnership
- Corporation-State DE
- 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: August 31, 2001

2. Name and address of receiving party(ies)

Name: Venture Lending & Leasing III, Inc.

Internal

Address:

Street Address: 2010 North First Street

City: San Jose State: CA Zip: 95131

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State MD
- 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 registration number(s): 5

A. Trademark Application No.(s)

75/678681 75/780877

B. Trademark Registration No.(s)

2,449,024 2,449,025 2,450,844

Additional number(s) attached Yes No

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

Name: Russell D. Pollock

Internal Address:

Street Address: c/o Greene Radovsky et al

Four Embarcadero Center, Suite 4000

City: San Francisco State: CA Zip: 94111

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41).....\$ 140.00

- 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.

Russell D. Pollock

Name of Person Signing

Russell D. Pollock
Signature

10/18/01

Date

Total number of pages including cover sheet, attachments, and document: 10

01/09/2002 DBYRNE 00000129 75678681

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

01 FC:481 40.00 DP
02 FC:482 100.00 DP

TRADEMARK
REEL: 002430 FRAME: 0718

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "Agreement") is made as of August 31, 2001, by and between GENERAL BANDWIDTH INC., a Delaware corporation ("Grantor"), and VENTURE LENDING & LEASING III, INC., a Maryland corporation ("Secured Party").

RECITALS

A. Pursuant to a Loan and Security Agreement of even date herewith (the "Loan Agreement") among Grantor, as borrower, and Secured Party, as lender, Secured Party has agreed to make certain advances of money and to extend certain financial accommodations to Grantor (the "Loans") in the amounts and manner set forth in the Loan Agreement. All capitalized terms used herein without definition shall have the meanings ascribed to them in the Loan Agreement.

B. Secured Party is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Secured Party a security interest in substantially all of Grantor's personal property whether presently existing or hereafter acquired. To that end, Grantor has executed in favor of Secured Party the Loan Agreement granting a security interest in all Collateral, and is executing this Agreement with respect to certain items of Intellectual Property, in particular.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of Grantor's present or future Obligations, Grantor hereby grants a security interest and mortgage to Secured Party, as security, in and to Grantor's entire right, title and interest in, to and under the following Intellectual Property, now owned or hereafter acquired by Grantor or in which Grantor now holds or hereafter acquires any interest (all of which shall collectively be called the "Collateral" for purposes of this Agreement):

(a) Any and all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, any State thereof or of any other country; all registrations, applications and recordings in the United States Copyright Office or in any similar office or agency of the United States, and State thereof or any other country; all continuations, renewals, or extensions thereof; and any registrations to be issued under any pending applications, including without limitation those copyright registrations set forth on Exhibit A attached hereto (collectively, the "Copyrights");

(b) All letters patent of, or rights corresponding thereto in, the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of, or rights corresponding thereto in, the United States or any other country, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country; all reissues, continuations, continuations-in-part or extensions thereof; all petty patents, divisionals, and patents of addition; and all patents to be issued under any such applications, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "Patents");

(c) All trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, and reissues, extensions or renewals thereof, and the entire goodwill of the business of Grantor connected with and symbolized by such trademarks, including without limitation those trademarks and trademark applications set forth on Exhibit C attached hereto (collectively, the "Trademarks");

(d) Any and all claims for damages by way of past, present and future infringement 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;

(e) All licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights;

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

(g) 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.

Notwithstanding the foregoing the term "Collateral" shall not include "intent-to-use" trademarks (and applications therefor) at all times prior to the first use thereof, whether by the actual use thereof in commerce, the recording of a statement of use with the United States Patent and Trademark Office or otherwise.

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

(a) Grantor is now the sole owner of the Collateral, except for licenses granted by Grantor, prior to the date hereof, to third parties in the ordinary course of business or consistent with industry-practice;

(b) During the term of this Agreement, Grantor will not transfer or otherwise encumber any interest in the Collateral, except for (i) non-exclusive licenses granted by Grantor in the ordinary course of business or consistent with industry-practice; and (ii) exclusive licenses provided that: (A) such exclusive licenses have been approved by Borrower's Board of Directors, negotiated at arms-length, in good faith, and for fair consideration; (B) the underlying Collateral transferred via such licenses, taken as a whole, does not constitute a substantial portion of Borrower's Intellectual Property portfolio; and (C) no Event of Default has occurred and is continuing.

(c) To its knowledge, no part of the Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Collateral violates the rights of any third party;

(d) **Grantor shall deliver to Secured Party within thirty (30) days of the last day of each fiscal quarter, a report signed by Grantor, in form reasonably acceptable to Secured Party, listing any applications or registrations that Grantor has made or filed in respect of any patents, copyrights or trademarks and the status of any outstanding applications or registrations. Grantor shall promptly advise Secured Party of any material change in the composition of the Collateral, including but not limited to any subsequent ownership right of the Grantor in or to any Trademark, Patent or Copyright not specified in this Agreement. Upon Secured Party's receipt of the foregoing report, Grantor authorizes Secured Party to modify, in its sole discretion, this Agreement without first obtaining Grantor's approval of or signature to such modification by amending Exhibits A, B and C, hereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Grantor no longer has or claims any right, title or interest;**

(e) Grantor shall (i) use reasonable commercial efforts to, protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights (ii) use reasonable commercial efforts to detect infringements of the Trademarks, Patents and Copyrights and promptly advise Secured Party in writing of infringements detected that could reasonably be expected to have a Material Adverse Effect and (iii) not allow any abandonment, forfeiture, or dedication of any Trademarks, Patents or Copyrights that could reasonably be expected to have a Material Adverse Effect;

(f) Grantor shall 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: (i) those intellectual property rights listed on Exhibits A, B and C hereto within thirty (30) days of the date of this Agreement; and (ii) those additional intellectual property rights developed or acquired by Grantor from time to time in connection with

any product or service, prior to the sale or licensing of such product or the rendering of such service to any third party (including without limitation revisions or additions to the intellectual property rights listed on such Exhibits A, B and C), except with respect to such rights that Grantor determines in its sole but reasonable commercial judgment need not be registered to protect its own business interests. Grantor shall, from time to time, execute and file such other instruments, and take such further actions as Secured Party may reasonably request from time to time to perfect or continue the perfection of Secured Party's interest in the Collateral. Grantor shall give Secured Party notice of all such applications or registrations; and

(g) Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Secured Party's prior written consent, which consent shall not be unreasonably withheld.

3. Further Assurances; Attorney in Fact.

(a) On a continuing basis, Grantor will make, execute, acknowledge and deliver, all such instruments necessary to permit Secured Party to file and record in the proper filing and recording places in the United States, including instruments such as financing and continuation statements and collateral agreements and other appropriate filings with the United States Patent and Trademark Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as requested by Secured Party, to perfect Secured Party's security interest in all Copyrights, Patents and Trademarks and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to Secured Party the grant or perfection of a security interest in all Collateral.

(b) Grantor hereby irrevocably appoints Secured Party as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, to transfer, after the occurrence of an Event of Default and consistent with Secured Party's obligations under the Loan Agreement, the Collateral into the name of Secured Party or a third party to the extent permitted under the California Uniform Commercial Code.

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

(a) An Event of Default under the Loan Agreement; or

(b) Grantor breaches any warranty or agreement made by Grantor in this Agreement and, as to any breach that is capable of cure, Grantor fails to cure such breach within thirty (30) days of the occurrence of such breach.

5. Amendments. This Agreement may be amended only by a written instrument signed by both parties hereto, except for amendments permitted under Section 3 hereof to be made by Secured Party alone.

6. Counterparts. This 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.

[Signature Pages Follow]

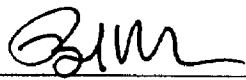
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

GRANTOR:

Address of Grantor:

GENERAL BANDWIDTH INC.

12303 Technology Boulevard
Austin, TX 78727
Attn: Chief Financial Officer

By: 
Its: Chairman, CEO

SECURED PARTY:

Address of Secured Party:

VENTURE LENDING & LEASING III, INC.

2010 North First Street, Suite 310
San Jose, CA 95131
Attn: President

By: _____
Its: _____

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

GRANTOR:

Address of Grantor:

GENERAL BANDWIDTH INC.

12303 Technology Boulevard
Austin, TX 78727
Attn: Chief Financial Officer

By: _____

Its: _____

SECURED PARTY:

Address of Secured Party:

VENTURE LENDING & LEASING III, INC.

2010 North First Street, Suite 310
San Jose, CA 95131
Attn: President

By:  _____

Its:  _____

EXHIBIT A

Copyrights

No copyright applications on file

EXHIBIT B**Patents**

Country	Application Number	Filing Date	Title
U.S.A.	TBD	July 16, 2001	System and Method for Reliably Communicating Telecommunication Information
U.S.A.	09/356,250	July 16, 1999	Method and Apparatus for Providing Voice Signals to and from a Telecommunications Switch
U.S.A.	09/491,299	January 25, 2000	Method and Apparatus for Providing Voice Signals to and from a Telecommunications Switch
U.S.A.	09/502,369	February 11, 2000	System and Method for Communicating Telecommunication Information Between Network Equipment and a Plurality of Local Loop Circuits
U.S.A.	09/502,668	February 11, 2000	System and Method for Communicating Telecommunication Information Between Customer Premises Equipment and Network Equipment
U.S.A.	09/502,670	February 11, 2000	System and Method for Communicating Telecommunication Information Between a Telecommunication Switch and Customer Premises Equipment
U.S.A.	09/579,640	May 26, 2000	System and Method for Housing Telecommunications Equipment
U.S.A.	09/685,274	October 9, 2000	System and Method for Interfacing Between Signaling Protocols
U.S.A.	09/685,762	October 9, 2000	System and Method for Interfacing Signaling Information and Voice Traffic
U.S.A.	09/724,603	November 28, 2000	System and Method for Communicating Telecommunication Information from a Broadband Network to a Telecommunication Network
U.S.A.	09/724,714	November 28, 2000	System and Method for Communicating Telecommunication Information from a Telecommunication Network to a Broadband Network
U.S.A.	09/768,849	January 23, 2001	Insertion/Extraction apparatus for Circuit Cards
U.S.A.	09/785,391	February 15, 2001	System and Method for Selecting a Compression Algorithm According to an Available Bandwidth
U.S.A.	09/804,588	March 12, 2001	Convertible Telecommunication Chassis and Method for Converting Same
U.S.A.	09/840,837	April 24, 2001	System and Method for Providing Lifeline Telecommunication Service
U.S.A.	09/841,931	April 24, 2001	System and Method for Communication Information Using Asynchronous Transfer Mode

U.S.A.	60/289,303	May 7, 2001	System and Method for Providing Subtending to a Voice Gateway in Conjunction with an ATM and DSL Network
U.S.A.	60/289,304	May 7, 2001	G6 Backplane Architecture
U.S.A.	60/289,420	May 7, 2001	System and Method for Cross Connecting an ATM Network and a Telecommunication Switch

EXHIBIT C

Pending Trademarks

Country	Application Number	Filing Date	Mark
U.S.A.	75/678681	April 9, 1999	GENERAL BANDWIDTH
U.S.A.	75/780877	August 20, 1999	Misc. Design (3 Circles)

Registered Trademarks

Country	Registration Number	Issue Date	Mark
U.S.A.	2,449,024	May 8, 2001	G6 & Design
U.S.A.	2,449,025	May 8, 2001	Misc. Design
U.S.A.	2,450,844	May 15, 2001	G6