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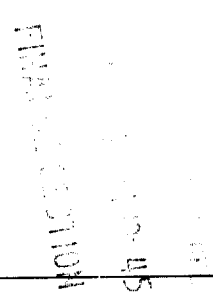
RECORDATION FORM COVER SHEET

MRO

8-7-02

TRADEMARKS ONLY

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

1. Name of conveying party: Mentor Technologies Group, Inc. <input checked="" type="checkbox"/> A Maryland corporation	2. Name and address of receiving party: Sand Hill Capital II, LP 3000 Sand Hill Road Building 2, Suite 110 Menlo Park, CA 94025 <input checked="" type="checkbox"/> A Delaware Limited Partnership
3. Nature of conveyance: Security Agreement Execution Date: November 20, 2000	4. Trademark Registration/Application Nos.: 2,519,339; 2,497,112; 2,264,695 and 76/078,849
5. Name and address of party to whom correspondence concerning document should be mailed: Kristen M. Walsh, Esq. Nixon Peabody LLP Clinton Square Post Office Box 31051 Rochester, New York 14603	6. Total number of Registrations/Applications involved: 4 
7. Total fee (37 CFR 3.41) <u>\$115</u> <input checked="" type="checkbox"/> <u>\$115</u> Check is enclosed.	8. Deposit Account Number: 50-1804 <input checked="" type="checkbox"/> Charge any additional fees to account.
DO NOT USE THIS SPACE	

08/08/2002 DBYRNE 00000306 2519339

01 FC:481
02 FC:48240.00 DP
75.00 DP

To the best of my knowledge and belief, the foregoing information is true and correct and the attached copy is a true and correct copy of an excerpt from the original document.

Kristen M. Walsh

Kristen M. Walsh

8-2-02

Date

[Total number of pages including Cover Sheet and excerpt from the Agreement: 5]

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of November 20, 2000 by and between SAND HILL CAPITAL II, LP ("Sand Hill") and Mentor Technologies Group, Inc. ("Parent"), Mentor Technologies Products, LLC ("Products"), Mentor Technologies Learning Solutions, LLC ("Solutions"), and Mentor Technologies Network Consulting, LLC ("Consulting"). Parent, Products, Solutions and Consulting are jointly and severally referred to herein as "Grantor".

This Agreement is entered into with reference to the following facts:

Sand Hill and Grantor 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, Grantor has granted to Sand Hill a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under the Collateral.

NOW, THEREFORE, Grantor agrees as follows:

To secure performance of its "Obligations" as defined in the Loan Agreement, Grantor grants to Sand Hill a security interest in all of Grantor's right, title and interest in Grantor'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).

Grantor represents and warrants that (i) listed on Schedule A hereto are all trademark registrations and pending registrations owned or controlled by Grantor or licensed to Grantor, (ii) listed on Schedule B are all patents and patent applications owned or controlled by Grantor or licensed to Grantor, and (iii) listed on Schedule C are all of Grantor's software, computer programs and other works of authorship subject to United States copyright protection which, under the Loan Agreement, are required to be registered with the United States Copyright Office. Grantor shall from time to time, execute and file such other instruments, and take such further actions as Sand Hill may reasonably request from time to time to perfect or continue the perfection of Sand Hill's interest in the intellectual property.

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 all Grantors:

Mentor Technologies Group, Inc.

133 National Business Parkway
Annapolis Junction, MD 20701

By X [Signature]
Title VPE CFO

Mentor Technologies Products, LLC

By [Signature]
Title VP & CFO

Mentor Technologies Learning Solutions, LLC

By [Signature]
Title VP & CFO

Mentor Technologies Network Consulting,
LLC

By [Signature]
Title VP & CFO

Address of Sand Hill:

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

SAND HILL CAPITAL II, LP

By [Signature]
Title Partner

Form: Version -2 7/31/00
Document: Version -2

SCHEDULE A

LIST OF TRADEMARK REGISTRATIONS AND PENDING APPLICATIONS*

<u>MARK</u>	<u>REG. NUMBER</u>	<u>REG. DATE</u>
VLAB	2,264,695	July 27, 1999

<u>MARK</u>	<u>SERIAL NUMBER</u>	<u>FILING DATE</u>
VLAB and Design	75/899,463	January 19, 2000
V and Design	75/908,478	February 2, 2000
VAUTHOR	75/908,479	February 2, 2000
IT'S NOT WHAT YOU KNOW BUT WHAT YOU CAN DO	75/936,438	March 6, 2000
GET YOUR SKILLS ON OUR GEAR	76/013,544	March 30, 2000
VOFFER	76/013,566	March 30, 2000
VCARD	76/ 040,074	May 3, 2000
VPOWERED	76/01,431	May 23, 2000
HEADS UP	76/054,978	May 23, 2000
REAL LABS	76/058,595	May 30, 2000
MENTOR TECHNOLOGIES	76/078,848	June 28, 2000
REAL LEARNING FOR A VIRTUAL WORLD	76/078,849	June 28, 2000

MARK

REG. NUMBER

REG. DATE

MENTOR
TECHNOLOGIES
with design

76/111,215

August 17, 2000

Filed in the
European
Community:

VLAB

CTM No.
1815943

August 18, 2000

PAM331732.1
1191271-900000
11/16/00

RECORDED: 08/07/2002

TRADEMARK
REEL: 002561 FRAME: 0892