

Form PTO-1594
(Rev. 10/02)

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

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

OMB No. 0651-0027 (exp. 6/30/2006)

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

1. Name of conveying party(ies):

UpShot Corporation

- 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: 02/13/2003

2. Name and address of receiving party(ies)

Name: Advanced Technology Ventures IV, L.P., as
Internal _____ Collateral Agent
Address: _____

Street Address: 485 Ramona St., Ste. 200

City: Palo Alto State: CA Zip: 94301

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

A. Trademark Application No.(s) n/a

B. Trademark Registration No.(s) 2263462; 2227463;
2373310

Additional number(s) attached Yes No

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

Name: Soohyun Susan Lee

Internal Address: _____

Direct Phone: 650-461-6719

Direct Fax: 650-845-5000

Street Address: 650 Page Mill Road

City: Palo Alto State: CA Zip: 94304

6. Total number of applications and registrations involved: _____

3

7. Total fee (37 CFR 3.41).....\$ 90.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

23-2415 (client #17579.018)

DO NOT USE THIS SPACE

9. Signature.

Soohyun Susan Lee
Name of Person Signing


Signature

2/21/03
Date

Total number of pages including cover sheet, attachments, and document: **20**

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

SUBORDINATED SECURITY AGREEMENT
(INTELLECTUAL PROPERTY AND OTHER ASSETS)

THIS SUBORDINATED SECURITY AGREEMENT (this "Agreement"), dated as of February 13, 2003 by and between UpShot Corporation, a California corporation (the "Borrower"), having its principal place of business 1161 San Antonio Road, Mountain View, CA 94043 and Advanced Technology Ventures IV, L.P., as collateral agent (in such capacity, the "Collateral Agent") for itself and certain other investors identified on the signature pages hereto (collectively, the "Investors") whose addresses are provided on the signature pages hereto, pursuant to those certain Subordinated Secured Convertible Promissory Notes dated as of the date hereof (collectively, as amended and in effect from time to time, including any instruments issued in exchange therefor, the "Notes"), respectively issued by the Borrower to the Investors.

WHEREAS, it is a condition precedent to the Investors' making any loans or otherwise extending credit to the Borrower under the Notes that the Borrower execute and deliver to the Collateral Agent a security agreement in substantially the form hereof;

WHEREAS, the Borrower wishes to grant security interests in all of its assets in favor of the Collateral Agent for the benefit of the Investors and the Collateral Agent as herein provided;

WHEREAS, ORIX USA Corporation (the "Senior Lender") has extended credit to the Borrower pursuant to that certain Loan and Security Agreement dated as of June 27, 2002, as amended, and all other documents entered into pursuant thereto (collectively, the "Senior Loan Documents"), which extension of credit is secured by security interests in substantially all of the assets of the Borrower (the "Senior Security Interest");

WHEREAS, it is a condition precedent to the Senior Lender's consent to the Borrower's granting of security interests to the Collateral Agent for the benefit of the Investors as contemplated hereby that the Investors subordinate such security interests to the Senior Security Interest to the extent and on the terms set forth herein;

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions.

- (a) "Collateral" has the meaning specified therefor in Section 2(a) hereof.
- (b) "Copyright Office" has the meaning specified therefor in Section 3(l) hereof.
- (c) "Copyrights" has the meaning specified therefor in Section 3(c) hereof.
- (d) "Intellectual Property Collateral" means all of the Borrower's right, title and interest in and to all of the following: all general intangibles including, without limitation, all know-how, license fees, patents, patent applications, trademarks, trademark applications, related

goodwill, associated product lines, trade names, mask-works, copyrights, copyright applications, rights to sue and recover for past infringement of patents, trademarks and copyrights, the right to prosecute applications for patents, trademarks and copyrights, all rights corresponding thereto throughout the world, all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, the rights to make, use, advertise and sell, and all other rights with respect to, the inventions disclosed or claimed therein, all inventions, designs, proprietary or technical information, know-how, other data or information, software, databases, all embodiments or fixations thereof and related documentation, registrations, franchises, and all direct and indirect proceeds of any of the foregoing (such as, by way of example, license royalties and proceeds of infringement suits).

(e) "Obligations" means, collectively, all indebtedness, obligations and liabilities of every kind and nature owing by the Borrower to the Investors, whether now existing or hereafter acquired, matured or unmatured, liquidated or contingent, secured or unsecured, arising under this Agreement, the Notes, or any related document, instrument or agreement.

(f) "PTO" has the meaning specified therefor in Section 3(l) hereof.

(g) "Patents" has the meaning specified therefor in Section 3(a) hereof.

(h) "Permitted Liens" means

(i) liens arising from attachments or similar proceedings, whose validity or amount is being contested in good faith by appropriate proceedings and for which adequate reserves have been established and are maintained in accordance with generally accepted accounting principles, or taxes and assessments which are not yet due or which are being contested in good faith, via appropriate proceedings and for which adequate reserves have been established and are maintained in accordance with generally accepted accounting principles;

(ii) deposits or pledges made in connection with, or to secure payment of, workmen's compensation, unemployment insurance, old age pensions or other social security or similar obligations;

(iii) liens in respect of judgments or awards that (i) have been in effect for less than the applicable period for taking an appeal so long as execution is not levied thereunder, or (ii) in respect of which the Borrower is in good faith prosecuting an appeal or other appropriate proceedings for review and in respect of which a stay of execution shall have been obtained pending such appeal or review;

(iv) liens of carriers, mechanics and materialmen and other like liens, in respect of obligations not overdue;

(v) such minor defects, irregularities, encumbrances, easements, rights of way, and clouds on title as normally exist with respect to similar properties which do not, individually or in the aggregate, materially impair the property affected thereby for the purpose for which it was acquired;

(vi) inchoate liens of landlords or lessors under leases arising by contract or operation of law;

(vii) liens arising from purchase money obligations for tangible personal property used in the Borrower's business, and rights of lessors under capital leases existing as of the date hereof and as may come into existence upon approval of the Borrower's Board of Directors; provided that no such liens shall extend to any assets of the Borrower other than those financed by such a purchase money obligation or capital lease (and the proceeds thereof);

(viii) leases, subleases, licenses, and sublicenses granted to third parties the granting of which does not result in a material adverse effect on the business of the Borrower;

(ix) liens securing reimbursement obligations of the Borrower under documentary letters of credit; provided, that such liens shall attach only to documents relating to such letters of credit, goods covered thereby and products and proceeds thereof;

(x) liens which constitute rights of set-off of a customary nature or bankers' liens on amounts on deposit, whether arising by contract or by operation of law, in connection with arrangements entered into with depository institutions in the ordinary course of business; and

(xi) the Senior Security Interest and the security interest in favor of the Collateral Agent granted hereunder.

(i) "Senior Security Interest" has the meaning specified therefor in the preamble hereto.

(j) "Trademarks" has the meaning specified therefor in Section 3(a) hereof.

(k) All terms defined in the Notes and used herein without other definition shall have the respective meanings herein provided therefor in the Notes, and the rules of interpretation set forth in the Notes shall govern this Agreement. All terms defined in the Uniform Commercial Code of the State of California and used herein without other direct or indirect definition shall have the same respective definitions herein as specified therein.

2. Grant of Security Interest.

(a) The Borrower hereby grants to the Collateral Agent, for the benefit of the Investors and the Collateral Agent, to secure the payment and performance in full of all of the Obligations, a security interest in and so pledges, mortgages and assigns, by way of collateral security, to the Collateral Agent for the benefit of the Investors and the Collateral Agent, all of its right, title and interest in and to all of its properties, assets and rights of the Borrower, wherever located, whether now owned or hereafter acquired or arising, and all proceeds, products, rents, offspring and profits thereof (all of the same being hereinafter called the "Collateral") including, without limitation, the following:

All personal and fixture property of every kind and nature including without limitation all furniture, fixtures, equipment, raw materials, inventory, goods, accounts, contract rights, rights to the payment of money, insurance refund claims and all other insurance claims and proceeds, tort claims, proceeds of fraudulent transfer, preference, or similar claims, pension fund overfunded amounts, chattel paper, documents, instruments (including certificated securities), deposit accounts, investment accounts and all general intangibles including, without limitation, all uncertificated securities, tax refund claims, license fees, Patents, Trademarks, Copyrights and other Intellectual Property Collateral, computer programs, computer software, engineering drawings, service marks, customer lists, and all licenses, permits, agreements of any kind or nature pursuant to which the Borrower possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or others possess, use or have authority to possess or use property (whether tangible or intangible) of the Borrower, and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics.

(b) If, before the Obligations shall have been finally paid and satisfied in full, the Borrower shall obtain any right, title or interest in or to any other or new Intellectual Property Collateral, the provisions of this Agreement shall automatically apply thereto and the Borrower shall promptly give to the Collateral Agent notice thereof in writing and execute and deliver to the Collateral Agent such documents or instruments as the Collateral Agent may reasonably request to perfect the Collateral Agent's security interest therein; provided, however, the foregoing shall not include those patents which are held by the Borrower as licensee, to the extent that such items are not assignable or capable of being encumbered as a matter of law or under the terms of such license, without the consent of the licensor thereof.

3. Representations and Warranties of the Borrower. The Borrower represents, warrants and covenants that:

(a) Schedule A sets forth a true and complete list of all the rights to United States patents and patent applications now owned, licensed, controlled or used by the Borrower (collectively, the "Patents");

(b) Schedule B set forth a true and complete list of all the rights to United States trademarks and trademark applications now owned, licensed, controlled or used by the Borrower (collectively, the "Trademarks");

(c) Schedule C sets forth a true and complete list of all the rights to United States copyrights and copyright applications now owned, licensed, controlled or used by the Borrower (collectively, the "Copyrights");

(d) The Borrower has sufficient title and ownership of all Patents, Trademarks, and Copyrights, without any known infringement of the rights of others. There are no outstanding options, licenses, ownership disputes or agreements of any kind relating to the foregoing, nor is the

Borrower bound by or a party to any options, licenses or agreements of any kind with respect to the Patents, Trademarks and Copyrights, nor is the Borrower aware of any basis therefore. The Borrower has not received any communications alleging that the Borrower has violated or, by conducting its business, would violate any of the patents, trademarks, service marks, trade names, copyrights or trade secrets or other proprietary rights of any other person or entity. None of the Borrower's employees are obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of his or her best efforts to promote the interests of the Borrower or that would conflict in any manner with the Borrower's business as proposed to be conducted. Neither the execution nor delivery of this Agreement, nor the carrying on of the Borrower's business by the employees of the Borrower, nor the conduct of the Borrower's business as proposed to be conducted, will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which any of such employees is now obligated. The Borrower does not and will not need to utilize any inventions of any of its employees (or people it currently intends to hire) made prior to their employment by the Borrower that have not previously been fully and exclusively assigned to the Borrower without restrictions, the presence of which would result in a material adverse effect on the ability of the Borrower to carry on its business as presently conducted or as proposed to be conducted. The Borrower hereby covenants that it shall use commercially reasonable efforts to obtain the assignment by all inventors of each inventor's entire right, title and interest in and to the patent application entitled "Method and Apparatus for Network-Based Sales Force Automation" and related powers-of-attorney as soon as practicable.

(e) The Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, Trademarks, Copyrights listed on Schedules A, B and C hereto and all of the other Collateral (other than ownership and other rights reserved by third party owners with respect to Patents, Trademarks and Copyrights which the Borrower is licensed to practice or use), free and clear of any liens, charges, encumbrances and adverse claims, including without limitation pledges, assignments, licenses, shop rights and covenants by the Borrower not to sue third persons, other than the Senior Security Interest, the security interest created by this Agreement and other Permitted Liens;

(f) The know-how required to utilize the Patents, Trademarks and Copyrights is substantially respectively comprised in the Patents, Trademarks and Copyrights;

(g) The Borrower has the unqualified right to enter into this Agreement and perform its terms and has entered and will enter into written agreements with each of its present and future employees, other inventors, agents, consultants, licensors and licensees which will enable it to comply with the covenants herein contained;

(h) This Agreement will create in favor of the Collateral Agent, for the benefit of the Investors and the Collateral Agent, a valid and perfected priority security interest in the Collateral in which perfection may be obtained by such filings, subject only to the security interest of the Senior Creditors and other Permitted Liens, upon making the filings referred to in subsection (i) below;

(i) Except for the filing of financing statements with the office of the Secretary of State of California and the filing of this Agreement with the U.S. Patent and Trademark Office (the "PTO") and the United States Copyright Office (the "Copyright Office"), no authorization, approval or other action by, and no notice to or filing with any governmental or regulatory authority, agency or office is required either (i) for the grant by the Borrower or the effectiveness of the assignment and security interest granted hereby or for the execution, delivery and performance of this Agreement by the Borrower or (ii) for the perfection of or, subject to the rights of the Senior Lender, the exercise by the Collateral Agent of any of its rights and remedies hereunder;

(j) The Borrower is duly organized, has the power and authority to own and lease its properties and conduct its business as presently conducted, and has taken all necessary corporate action to enter into this Agreement;

(k) This Agreement constitutes the valid, legal and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except to the extent that enforceability may be limited by laws governing bankruptcy, insolvency, receivership, reorganization, moratorium, assignment for the benefit of creditors or creditors' rights generally and by applicable principles of equity;

(l) All of the Collateral is located at either 1161 San Antonio Road, Mountain View, CA 94043 or at 1400 Kifer Road, Sunnyvale, CA (the "Qwest Facility") and such additional addresses as may be indicated on the signature page opposite the Borrower's signature block;

(m) No financing statement (other than any filed in connection with Permitted Liens) covering any of the Collateral is on file in any public office;

(n) The Borrower is a corporation duly organized and validly existing in good standing under the laws of the State of California. The Borrower has all requisite corporate power and authority to own its properties and assets and to carry on its business as presently conducted. The Borrower is duly qualified to transact business and is in good standing in each jurisdiction in which the failure so to qualify would have a material adverse effect on its business or properties; and

(o) To Borrower's knowledge, Borrower is in compliance with the requirements of all applicable laws (including the provisions of the Fair Labor Standards Act), rules, regulations and orders of every governmental authority, the non-compliance with which would reasonably be expected to result in a material adverse effect to the financial condition and operations of the Borrower.

4. Representations and Warranties of the Collateral Agent. The Collateral Agent represents and warrants, for the benefit of the Borrower and the Senior Lender, that, as provided in Section 5 below, it has been duly authorized to enter into this Agreement on behalf of the Investors, and that its signature below is binding upon each of the Investors. The Collateral Agent represents and warrants that it shall not act on behalf of the Investors without first obtaining written approval of such proposed actions from a majority in interest of the Notes.

5. Representations and Warranties of the Investors. The Investors hereby represent and warrant that they have duly authorized the Collateral Agent to act on their behalf, subject to the approval referenced in Section 4 above, and the signature of the Collateral Agent below shall be binding upon each of the Investors. The Investors further agree that the Collateral Agent shall be protected in taking or omitting any action in accordance with the terms of this Agreement. The Investors agree that they will respond to any requests for approval from the Collateral Agent within 5 business days of receiving such request. The Investors agree, to the extent any expenses incurred by the Collateral Agent in the exercise of its duties hereunder are not paid by the Borrower as contemplated by §17 hereof, to reimburse the Collateral Agent for the same on a pro rata basis.

6. Continuous Perfection. The Borrower's principal place of business and chief executive office is 1161 San Antonio Road, Mountain View, CA 94043. The Borrower will not change the same, or the name, identity or corporate structure of the Borrower in any manner, or remove any of the tangible Collateral from its chief executive office or from the Qwest Facility, without providing at least 30 days prior written notice to the Collateral Agent.

7. No Liens. Except for the security interest herein granted, the Senior Security Interest and other Permitted Liens, the Borrower shall be the owner of the Collateral free from any lien, security interest or other encumbrance, and the Borrower shall defend the same against all claims and demands of all persons at any time claiming the same or any interests therein adverse to the Collateral Agent. The Borrower shall not pledge, mortgage or create, or suffer to exist a security interest in the Collateral in favor of any person other than the Senior Lender and the Collateral Agent, except for Permitted Liens. The Borrower will not sell or offer to sell or otherwise transfer the Collateral or any interest therein except for licenses of general intangibles in the ordinary course of business.

8. Insurance.

(a) The Borrower will maintain with financially sound and reputable insurers insurance with respect to its properties and business against such casualties and contingencies as shall be in accordance with general practices of businesses engaged in similar activities in similar geographic areas. To the extent permitted by the Senior Lender, all such insurance shall be payable to the Collateral Agent as loss payee. Without limiting the foregoing, the Borrower will (i) keep all of its physical property insured with casualty or physical hazard insurance on an "all risks" basis, (ii) maintain all such workers' compensation or similar insurance as may be required by law and (iii) maintain business interruption insurance.

(b) All policies of insurance shall provide for at least 10 days prior written cancellation notice to the Collateral Agent. In the event of failure by the Borrower to provide and maintain insurance as herein provided, the Collateral Agent may, at its option, provide such insurance and charge the amount thereof to the Borrower. The Borrower shall furnish the Collateral Agent with certificates of insurance and policies evidencing compliance with the foregoing insurance provision.

9. Maintenance of Collateral; Compliance with Law. The Borrower shall have the duty to prosecute diligently any applications of the Patents, Trademarks and Copyrights pending as of the

date of this Agreement or thereafter, to make application for unpatented inventions which the Borrower believes to be in its best interest to patent or as the Collateral Agent may reasonably request and to obtain, preserve and maintain all rights in the Patents, Trademarks and Copyrights, including without limitation validly obtaining and duly recording with PTO, patent assignments from the inventors of patentable inventions and the payment when due of all maintenance fees and other fees, taxes and other expenses which shall be incurred or which shall accrue with respect to any of the Patents. The Borrower shall not abandon any filed application, or any pending application or Patent, Trademark or Copyright without the consent of the Collateral Agent, which consent shall not be unreasonably withheld. The Borrower shall maintain all Collateral in good workable condition, ordinary wear and tear excepted, and will not use the same in violation of any law or any policy of insurance thereon. The Collateral Agent or its designee may inspect the Collateral at any reasonable time, wherever located. The Borrower will pay promptly when due all taxes, assessments, governmental charges and levies upon the Collateral or incurred in connection with this Agreement. The Borrower has at all times operated, and the Borrower will continue to operate, its business in compliance with all applicable provisions of the Federal Fair Labor Standards Act and will otherwise operate its business in compliance with applicable laws in all material respect.

10. Collateral Protection Expenses: Preservation of Collateral.

(a) In its discretion, the Collateral Agent may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral, make repairs thereto and pay any necessary filing fees. The Borrower agrees to reimburse the Collateral Agent on demand for any and all expenditures so made. The Collateral Agent shall have no obligation to the Borrower to make any such expenditures, nor shall the making thereof relieve the Borrower of any default.

(b) Anything herein to the contrary notwithstanding, the Borrower shall remain liable under each contract or agreement comprised in the Collateral to be observed or performed by the Borrower thereunder. The Collateral Agent shall not have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by the Collateral Agent of any payment relating to any of the Collateral, nor shall the Collateral Agent be obligated in any manner to perform any of the obligations of the Borrower under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by the Collateral Agent in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Collateral Agent or to which the Collateral Agent may be entitled at any time or times. The Collateral Agent's sole duty with respect to the custody, safe keeping and physical preservation of the Collateral in its possession, under §9-207 of the Uniform Commercial Code of the State of California or otherwise, shall be to deal with such Collateral in the same manner as the Collateral Agent deals with similar property for its own account.

(c) The Borrower shall, to the extent reasonably necessary to preserve and maintain the Intellectual Property Collateral and the interest of the Collateral Agent therein, diligently pursue legal or other action to enforce the Intellectual Property Collateral and any licenses thereof.

11. Subordination. The Collateral Agent, on behalf of each of the Investors, and each Investor agrees that, regardless of the time of filing or perfection, the priority otherwise available for any reason under applicable law, or any other circumstance whatsoever, including the failure by the Senior Lender to obtain or maintain continuous perfection of the Senior Security Interest, the Senior Security Interests shall be entitled to priority over the security interests granted to the Collateral Agent for the benefit of the Investors hereunder. The Collateral Agent on behalf of each of the Investors and each Investor further agrees that this subordination provision shall remain in full force and effect so long as any principal, interest (including interest accruing after the initiation of any proceeding by or against the Borrower under applicable bankruptcy, insolvency, reorganization or similar laws) remains outstanding under the Senior Loan Documents or the Senior Lender has any commitment to lend or otherwise extend credit to the Borrower under the Senior Loan Documents and shall be reinstated if any payment made by or on behalf of the Borrower to the Senior Lender is avoided, rescinded or required to be returned by the Senior Lender for any reason. The Collateral Agent and each Investor acknowledge and agree that they shall not pursue any of their rights or remedies under this Agreement or law until the Senior Lender has been paid in full all amounts owed to the Senior Lender under the Senior Loan Documents or has given the parties written consent.

Each Investor agrees that, in addition to any other rights that Senior Lender may have at law or in equity, Senior Lender may at any time, and from time to time, without Investor's consent and without notice to Investor, renew, extend or increase any of the indebtedness, liabilities and obligations secured by the Senior Security Interest (the "Senior Debt") accept partial payments of the Senior Debt, settle, release (by operation of law or otherwise), compromise, collect or liquidate any of the Senior Debt, change, waive, alter or vary the interest charge on, or any other terms or provisions of the Senior Debt or the Senior Loan Documents or any other present or future instrument, document or agreement between Senior Lender and the Borrower, release, exchange, fail to perfect, delay the perfection of, fail to resort to, or realize upon any Collateral, and take any other action or omit to take any other action with respect to the Senior Debt, the Senior Loan Documents or the Collateral as Senior Lender deem necessary or advisable in Senior Lender's sole discretion. Each Investor waives any right to require Senior Lender to marshal any assets in favor of each Investor or against or in payment of any or all of the Senior Debt. Each Investor agrees, upon Senior Lender's request, to execute all such documents and instruments and take all such actions as Senior Lender shall reasonably request in order to carry out the purposes of this Agreement. Each Investor acknowledges that any changes to the provisions of this Agreement or the Notes require the prior written consent of Senior Lender.

12. Notification to Account Debtors and Other Obligors. If an Event of Default shall have occurred and be continuing, subject to the rights of the Senior Lender, the Borrower shall, at the request of the Collateral Agent, notify account debtors on accounts, chattel paper and general intangibles of the Borrower and obligors on instruments for which the Borrower is an obligee of the security interest of the Collateral Agent in any account, chattel paper, general intangible or instrument and that payment thereof is to be made directly to the Collateral Agent or to any financial institution designated by the Collateral Agent as the Collateral Agent's agent therefor, and the Collateral Agent may itself, subject to the rights of the Senior Lender, if a Default or an Event of Default shall have occurred and be continuing, without notice to or demand upon the Borrower, so notify account debtors and obligors. After the making of such a request or the giving of any such notification, the Borrower shall hold any proceeds of collection of accounts, chattel paper, general

intangibles and instruments received by the Borrower as trustee for the Senior Lender and the Collateral Agent, as their respective interests appear without commingling the same with other funds of the Borrower and shall turn the same over to the Senior Lender for the benefit of the Senior Lender and the Collateral Agent, as their respective interests appear, or, if there is at the relevant time no Senior Lender, to the Collateral Agent, in the identical form received, together with any necessary endorsements or assignments. Subject to the interests of the Senior Lender, the Collateral Agent shall apply the proceeds of collection of accounts, chattel paper, general intangibles and instruments received by the Collateral Agent to the Obligations, pro rata among the Investors after deducting amounts owing to the Collateral Agent for expenses incurred by the Collateral Agent, such proceeds to be immediately entered after final payment in cash or solvent credits of the items giving rise to them.

13. Further Assurances. Subject to the rights of the Senior Lender, as applicable, the Borrower, at its own expense, shall do, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as the Collateral Agent may require more completely to vest in and assure to the Collateral Agent its rights hereunder or in any of the Collateral, including, without limitation, (a) executing, delivering and, where appropriate, filing (i) such documents as may be appropriate with the PTO and the Copyright Office and (ii) such financing statements and continuation statements or other instruments of perfection as may be appropriate under the Uniform Commercial Code as in effect from time to time, and (b) obtaining Consents.

14. Power of Attorney.

(a) Subject to the rights of the Senior Lender, the Borrower hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of the Borrower or in the Collateral Agent's own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of the Borrower, without notice to or assent by the Borrower, to do the following:

(i) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do at the Borrower's expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral security interest in the Collateral, in order to effect the intent of this Agreement, all as fully and effectively as the Borrower might do, including, without limitation, (A) the filing and prosecuting of registration and transfer applications with the appropriate federal or local agencies or authorities with respect to patents, copyrights and patentable inventions and processes and (B) the execution, delivery and recording, in connection with any sale or other disposition of any Collateral, the endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral; and

(ii) to file such financing statements with respect hereto, with or without the Borrower's signature, or a photocopy of this Agreement in substitution for a financing statement, as the Collateral Agent may deem appropriate and to execute in the Borrower's name such financing statements and continuation statements which may require the Borrower's signature.

(b) To the extent permitted by law, the Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

(c) The powers conferred on the Collateral Agent hereunder are solely to protect the interests of the Collateral Agent in the Collateral and shall not impose any duty upon the Collateral Agent to exercise any such powers. The Collateral Agent shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to the Borrower for any act or failure to act, except for the Collateral Agent's own gross negligence or willful misconduct.

(d) Notwithstanding the foregoing, the Collateral Agent acknowledges that its rights as attorney-in-fact under this Section 14 may not be exercised in violation of the rights of the Senior Lender.

15. **Remedies.** If an Event of Default shall have occurred and be continuing, the Collateral Agent may, subject to the rights of the Senior Lender, by written notice to the Borrower, declare this Agreement to be in default, and the Collateral Agent shall thereafter subject to the rights of the Senior Lender, have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code, including, without limitation, the right to take possession of the Collateral, and for that purpose the Collateral Agent may, subject to the rights of the Senior Lender, so far as the Borrower can give authority therefor, enter upon any premises on which any of the Collateral may be situated and remove the same therefrom. The Collateral Agent may, subject to the rights of the Senior Lender, in its discretion require the Borrower to assemble all or any part of the Collateral at such location or locations within the state of the Borrower's principal office or at such other locations as the Collateral Agent may designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Collateral Agent shall give to the Borrower at least five business days' prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. The Borrower hereby acknowledges that five business days' prior written notice of such sale or sales shall be reasonable notice. At any such sale or other disposition, the Collateral Agent may, subject to the rights of the Senior Lender, to the extent permitted under applicable law, purchase or license the whole or any part of the Collateral or interests therein sold or licensed, free from any right of redemption on the part of the Borrower, which right is hereby waived and released. In addition, the Borrower waives any and all rights that it may have to judicial hearing in advance of the enforcement of any of the Collateral Agent's rights hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and exercise its rights with respect thereto.

16. Waiver. The Borrower waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, the Borrower assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Collateral Agent may deem advisable. The Collateral Agent shall have no duty as to the collection or protection of the Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto beyond the safe custody thereof. The Collateral Agent shall not be deemed to have waived any of its rights upon or under the Obligations or the Collateral unless such waiver shall be in writing and signed by the Collateral Agent. No delay or omission on the part of the Collateral Agent in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. All rights and remedies of the Collateral Agent with respect to the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as the Collateral Agent deems expedient.

17. Marshalling. The Collateral Agent shall not be required to marshal any present or future collateral security (including but not limited to this Agreement, the Patents and the other Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of the rights of the Collateral Agent hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights, however existing or arising. To the extent that it lawfully may, the Borrower hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Collateral Agent's rights under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, the Borrower hereby irrevocably waives the benefits of all such laws.

18. Proceeds of Dispositions; Expenses. The Borrower shall pay to the Collateral Agent on demand any and all costs or expenses of the Collateral Agent (including attorneys' fees and expenses) incurred in connection with preparing, negotiating, amending and administering this Agreement, the Notes or any other documents or agreements in connection with the Obligations. Subject to the rights of the Senior Lender, the Borrower shall pay to the Collateral Agent on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by the Collateral Agent in protecting, preserving or enforcing the Collateral Agent's rights under or in respect of any of the Obligations or any of the Collateral. After deducting all of said expenses, the residue of any proceeds of collection or sale of the Obligations or Collateral shall, to the extent actually received by the Collateral Agent in cash, be applied to the payment of the Obligations in such order or preference as the Collateral Agent may determine, pro rata among the Investors, proper allowance being made for any Obligations not then due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Section 9-504(1)(c) of the

Uniform Commercial Code of the State of California, any excess shall be returned to the Borrower, and the Borrower shall remain liable for any deficiency in the payment of the Obligations.

19. Overdue Amounts. Until paid, all amounts due and payable by the Borrower hereunder shall be a debt secured by the Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in the Note.

20. Governing Law; Consent to Jurisdiction. THIS AGREEMENT IS INTENDED TO BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA WITHOUT REFERENCE TO CONFLICT OF LAWS. The Borrower agrees that any suit for the enforcement of this Agreement may be brought in the courts of the State of California or any federal court sitting therein and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon the Borrower by mail at the address specified on the signature pages to the Note. The Borrower hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

21. No Obligation on Collateral Agent. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE COLLATERAL AGENT DOES NOT ASSUME ANY LIABILITIES OF THE BORROWER WITH RESPECT TO ANY CLAIM OR CLAIMS REGARDING THE BORROWER'S OWNERSHIP OR PURPORTED OWNERSHIP OF, OR RIGHTS OR PURPORTED RIGHTS ARISING FROM, THE COLLATERAL OR ANY PRACTICE, USE, LICENSE OR SUBLICENSE THEREOF, OR ANY PRACTICE, MANUFACTURE, USE OR SALE OF ANY OF THE INVENTIONS DISCLOSED OR CLAIMED THEREIN, WHETHER ARISING OUT OF ANY PAST, CURRENT OR FUTURE EVENT, CIRCUMSTANCE, ACT OR OMISSION OR OTHERWISE. ALL OF SUCH LIABILITIES SHALL BE EXCLUSIVELY BORNE BY THE BORROWER.

22. Rights of Senior Lender. Nothing contained in this Agreement shall impair or otherwise affect the rights of the Senior Lender set forth in the Senior Loan Documents. It is the intention of the parties that the Senior Lender be a third-party beneficiary of this Agreement, and have standing to enforce the same.

23. Miscellaneous. The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon the Borrower and its respective successors and assigns, and shall inure to the benefit of the Collateral Agent and its successors and assigns. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Borrower acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF, intending to be legally bound, the Borrower has caused this Agreement to be duly executed as of the date first above written.

THE BORROWER:

UPSHOT CORPORATION


By: 
Robert Reid, President

(Signature page to Subordinated Security Agreement)

Accepted:

THE COLLATERAL AGENT:

ADVANCED TECHNOLOGY VENTURES IV, L.P.

By: 
Name: STEVE BABIN
Title: GENERAL PARTNER

Address: 485 Ramona Street, Suite 200
Palo Alto, CA 94301

INVESTORS:

ALLOY PARTNERS 2000, L.P.
ALLOY VENTURES 2000, L.P.
ALLOY CORPORATE 2000, L.P.
ALLOY INVESTORS 2000, L.P.

By: Alloy Ventures 2000, LLC
Its General Partner

Name: _____
Managing Member of Alloy Ventures 2000, LLC

Address: 480 Cowper Street, 2nd Floor
Palo Alto, CA 94301

Accepted:

THE COLLATERAL AGENT:

ADVANCED TECHNOLOGY VENTURES IV, L.P.

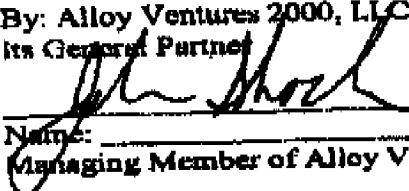
By: _____
Name: _____
Title: _____

Address: 485 Ramona Street, Suite 200
Palo Alto, CA 94301

INVESTORS:

**ALLOY PARTNERS 2000, L.P.
ALLOY VENTURES 2000, L.P.
ALLOY CORPORATE 2000, L.P.
ALLOY INVESTORS 2000, L.P.**

By: Alloy Ventures 2000, LLC
Its General Partner


Name: _____
Managing Member of Alloy Ventures 2000, LLC

Address: 480 Cowper Street, 2nd Floor
Palo Alto, CA 94301

Schedule A

Patents

P001	Graphical User Interface for Customer Information Management	Patent Granted 1/1/2001 – US Patent # 6,169,534
P0002Z	Method and Apparatus for Network Based Sales Force Automation	Application filed 8/17/1998 – Application #60/098,194

Schedule B**Trademarks**

T0001	Lantern	Abandoned
T0002	Radar Screen	USA Registered 7/20/99 # 2263462
T0005	UpShot	USA Registered 3/2/99 # 2227463 AUS Registered 6/11/98 # 749471 CAN Registered 11/24/00 # TMA 537683 CTM Registered 3/19/99 # 678979 JPN Registered 3/9/01 # 4457800 MEX Registered 2/25/98 # 570597
T0006	Miscellaneous Design (aka Archer Logo)	USA Registered 8/1/00 # 2373310
T0007	Web-Powered Sales	USA Abandoned
T0009	UpShot.com	USA Abandoned
T00010	UpShot.com Logo	USA Abandoned

Schedule C

Copyrights

Registration Date	Registration Number	Title	Description
10/13/1999	TX-5-080-227	UpShot Sales 2.0	Computer program
7/31/2000	TX-5-152-595	UpShot Online 3.0	Computer program