



01-17-2003



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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 03/02/2005) Tab settings

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

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

1. Name of conveying party(ies):

Vigilance, Inc.

1-13-03

- Individual(s) Association General Partnership Limited Partnership Corporation-State Other

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 12/13/02

2. Name and address of receiving party(ies)

Name: Lightspeed Venture Partners, VI, L.P.

Internal Address:

Street Address: 2200 Sand Hill Road

City: Menlo Park State: CA Zip: 94025

- 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) 76177927, 75499968, 76307650, 76178048, 76178049, 76155458, 76177929

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: Mark Hartwell

Internal Address:

Brobeck, Phleger & Harrison, LLP

Street Address: Spear Street Tower, One Market

City: San Francisco State: CA Zip: 94105

6. Total number of applications and registrations involved:

7

7. Total fee (37 CFR 3.41) \$ 190.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Mark Hartwell

Name of Person Signing

Signature

Date 1/10/03

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

01/16/2003 LNUELLER 00000180 76177927 46.00 OP 150.00 OP

TRADEMARK REEL: 002650 FRAME: 0443

Additional Names & Addresses of Receiving Parties.

Lightspeed Venture Partners VI-A, L.P.
2200 Sand Hill Road
Menlo Park, CA 94025

Lightspeed Venture Partners VI Cayman, L.P.
2200 Sand Hill Road
Menlo Park, CA 94025

Lightspeed Venture Partners Entrepreneur VI, L.P.
2200 Sand Hill Road
Menlo Park, CA 94025

Lightspeed Venture Partners Entrepreneur VI-A, L.P.
2200 Sand Hill Road
Menlo Park, CA 94025

Red Rock Ventures, LP
180 Lytton Avenue
Palo Alto, CA 94301

Chevron Technology Ventures, LLC
100 Chevron Way
Richmond, CA 94802

Jonathan and Susan Golovin Living Trust
49 Faxon Road
Atherton, CA 94027

Kistler Associates
985 5th Avenue
New York, NY 10021

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "**Agreement**"), dated December 13, 2002, is made by and between Vigilance, Inc. a Delaware corporation (the "**Grantor**"), and the parties listed on Schedule 1 hereto and each person who shall hereafter become a "**Lender**" pursuant to the terms of the Note Purchase Agreement (each a "**Secured Party**", and together, the "**Secured Parties**"). Schedule 1 may be automatically updated to include such additional Lenders

WHEREAS the Grantor and the Secured Parties have entered into that certain Note and Warrant Purchase Agreement dated as of even date herewith (as amended or otherwise modified from time to time the "**Note Purchase Agreement**"), pursuant to which the Grantor has issued, and may in the future issue, certain senior secured demand promissory notes (such notes, as amended or modified from time to time, the "**Notes**").

The Grantor and Secured Parties hereby agree as follows:

SECTION 1. Definitions; Interpretation.

(a) As used in this Agreement, the following terms shall have the following meanings:

"Collateral" has the meaning set forth in Section 2.

"Documents" means this Agreement, the Note Purchase Agreement, the Notes (as defined below), the Warrants (as defined in the Note Purchase Agreement) and all other certificates, documents, agreements and instruments delivered to the Secured Parties under the Notes or in connection with the Obligations (as defined below), each as amended, modified, renewed, extended or replaced from time to time.

"Event of Default" has the meaning set forth in the Notes.

"Lien" means any mortgage, deed of trust, pledge, security interest, assignment, deposit arrangement, charge or encumbrance, lien, or other type of preferential arrangement.

"Obligations" means the indebtedness, liabilities and other obligations of the Grantor to the Secured Parties under or in connection with the Documents, including without limitation, the unpaid principal of the Notes, all interest accrued thereon, all fees and all other amounts payable by the Grantor to the Secured Parties thereunder or in connection therewith, whether now existing or hereafter arising, and whether due or to become due, absolute or contingent, liquidated or unliquidated, determined or undetermined.

"Permitted Lien" means: (i) Liens in favor of Lenders in respect of the indebtedness hereunder; (ii) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings and

which are adequately reserved for in accordance with GAAP; (iii) Liens of materialmen, mechanics, warehousemen, carriers or employees or other like Liens arising in the ordinary course of business and securing obligations either not delinquent or being contested in good faith by appropriate proceedings; (iv) Liens consisting of deposits or pledges to secure the payment of worker's compensation, unemployment insurance or other social security benefits or obligations, or to secure the performance of bids, trade contracts, leases, public or statutory obligations, surety or appeal bonds or other obligations of a like nature incurred in the ordinary course of business; (v) easements, rights of way, servitudes or zoning or building restrictions and other minor encumbrances on real property and irregularities in the title to such property which do not in the aggregate materially impair the use or value of such property or risk the loss or forfeiture of title thereto; (vi) non-exclusive licenses granted in the ordinary course of business and consistent with past practices; and (vii) Liens upon or in any equipment acquired or held by the Company to secure the purchase price of such equipment or indebtedness incurred solely for the purpose of financing the acquisition of such equipment, provided that the Lien is confined solely to the equipment so acquired and accessions thereon.

“**Person**” means an individual, corporation, partnership, joint venture, trust, unincorporated organization, governmental agency or authority, or any other entity of whatever nature.

“**UCC**” means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of California.

(b) Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Notes or if not defined there, in the Note Purchase Agreement.

(c) In this Agreement, (i) the meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined; and (ii) the captions and headings are for convenience of reference only and shall not affect the construction of this Agreement; (iii) the words “hereof,” “herein,” “hereto,” “hereunder” and the like mean and refer to this Agreement as a whole and not merely to the specific Article, Section, subsection, paragraph or clause in which the respective word appears; and (iv) the words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation”; and (v) the term “or” shall not be limiting.

SECTION 2. Security Interest.

(a) As security for the payment and performance of the Obligations, the Grantor hereby pledges, assigns and grants to the Secured Parties a security interest in all of the Grantor's right, title and interest in, to and under all of its personal property, wherever located and whether now existing or owned or hereafter acquired or arising (collectively, the “**Collateral**”) and including:

(1) all accounts, accounts receivable, commercial tort claims, contract rights, rights to payment, chattel paper, electronic chattel paper, letters of credit, letter of credit rights,

documents, securities, money and instruments, and investment property, whether held directly or through a securities intermediary, and other obligations of any kind owed to the Grantor, however evidenced;

(2) all deposits and deposit accounts with any bank, savings and loan association, credit union or like organization, and all funds and amounts therein, and whether or not held in trust, or in custody or safekeeping, or otherwise restricted or designated for a particular purpose;

(3) all inventory, including, without limitation, all materials, raw materials, parts, components, work in progress, finished goods, merchandise, supplies and all other goods that are held for sale, lease or other disposition or furnished under contracts of service or consumed in the Grantor's business, including, without limitation, those held for display or demonstration or out on lease or consignment;

(4) all equipment, including, without limitation, all machinery, furniture, furnishings, fixtures, trade fixtures, tools, parts and supplies, automobiles, trucks, tractors and other vehicles, appliances, computer and other electronic data processing equipment and other office equipment, computer programs and related data processing software, and all additions, substitutions, replacements, parts, accessories and accessions to and for the foregoing;

(5) all general intangibles and other personal property of the Grantor, including, without limitation: (i) all tax and other refunds, rebates or credits of every kind and nature to which the Grantor is now or hereafter may become entitled; (ii) all intellectual property and all rights therein of any type or description, including, without limitation, all inventions and discoveries, patents and patent applications, copyrights and applications for copyright (together with the underlying works of authorship) whether or not registered, together with any renewals and extensions thereof, trademarks, service marks and trade names, and applications for registration of such trademarks, service marks and trade names, trade secrets, trade dress, trade styles, logos, other source of business identifiers, mask-works, mask-work registrations, mask-work applications, software, confidential and proprietary information, customer lists, other license rights, advertising materials, operating manuals, methods, processes, know-how, algorithms, formulae, databases, quality control procedures, product, service and technical specifications, operating, production and quality control manuals, sales literature, drawings, specifications, blue prints, descriptions, inventions, name plates and catalogs, and the entire goodwill of or associated with the businesses now or hereafter conducted by the Grantor connected with and symbolized by any of the aforementioned properties and assets, and all licenses relating to any of the foregoing, all reissuance, continuations and continuations-in-part of the foregoing, all other rights derived from or associated with the foregoing, including the right to sue and recover for past infringement, and all income and royalties with respect thereto; (iii) all goodwill, choses in action and causes of action; (iv) all interests in limited and general partnerships and limited liability companies; and (v) all indemnity agreements, guaranties, insurance policies, insurance claims and other contractual, equitable and legal rights of whatever kind or nature;

(6) all books, records and other written, electronic or other documentation in whatever form maintained by or for the Grantor in connection with the ownership of its assets or the conduct of its business or evidencing or containing information relating to the Collateral; and

(7) all products and proceeds, including insurance proceeds, and supporting obligations of or for any and all of the foregoing.

(b) Notwithstanding the foregoing, except for fixtures (to the extent covered by Article 9 of the UCC), such grant of a security interest shall not extend to, and the term "Collateral" shall not include, any asset which would be real property under the law of the jurisdiction in which it is located.

(c) Notwithstanding anything herein to the contrary: (i) the Grantor shall remain liable under any contracts, agreements and other documents included in the Collateral, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed; (ii) the exercise by the Secured Parties of any of the rights hereunder shall not release the Grantor from any of its duties or obligations under such contracts, agreements and other documents included in the Collateral; and (iii) the Secured Parties shall not have any obligation or liability under any contracts, agreements and other documents included in the Collateral by reason of this Agreement, nor shall the Secured Parties be obligated to perform any of the obligations or duties of Grantor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Collateral hereunder.

(d) This Agreement shall create a continuing security interest in the Collateral that shall remain in effect until terminated in accordance with Section 19 hereof.

SECTION 3. Financing Statements, Etc. Grantor shall execute and deliver to the Secured Parties concurrently with the execution of this Agreement, and Grantor hereby authorizes the Secured Parties to file (with or without Grantor's signature), at any time and from time to time thereafter, all financing statements, assignments, continuation financing statements, termination statements, account control agreements, and other documents and instruments, in form satisfactory to Secured Parties, and take all other action, as the Secured Parties may request, to perfect and continue perfected, maintain the priority of or provide notice of the security interest of the Secured Parties in the Collateral and to accomplish the purposes of this Agreement. Without limiting the generality of the foregoing, Grantor ratifies and authorizes the filing by the Secured Parties of any financing statements filed prior to the date hereof. Grantor will cooperate with the Secured Parties in obtaining control (as defined in the UCC) of Collateral consisting of deposit accounts, investment property, letter of credit rights and electronic chattel paper. Grantor will join with the Secured Parties in notifying any third party who has possession of any Collateral of the Secured Parties' security interest therein and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of the Secured Parties. Grantor will not create any chattel paper without placing a legend on the chattel paper acceptable to the Secured Parties indicating that the Secured Parties have a security interest in the chattel paper.

SECTION 4. Representations and Warranties. The Grantor represents and warrants to the Secured Parties that:

(a) The Grantor is a corporation duly organized, validly existing and in good standing under the law of the jurisdiction of its incorporation and has all requisite power and authority to execute, deliver and perform its obligations under this Agreement.

(b) The execution, delivery and performance by the Grantor of this Agreement have been duly authorized by all necessary corporate action of the Grantor, and this Agreement constitutes the legal, valid and binding obligation of the Grantor, enforceable against the Grantor in accordance with its terms.

(c) Except for the filing of appropriate financing statements and filings in respect of the perfection of intellectual property security interests, no authorization, consent, approval, license, exemption of, or filing or registration with, any governmental authority or agency, or approval or consent of any other Person, is required for the due execution, delivery or performance by the Grantor of this Agreement.

(d) The Grantor's chief executive office and principal place of business is located at the address set forth in Schedule 2; all other locations where the Grantor conducts business or the Collateral is kept are set forth in Schedule 2; and all trade names and fictitious names under which the Grantor at any time in the past has conducted or presently conducts its business operations are set forth in Schedule 2 or Schedule 3.

(e) All of the Grantor's U.S. and foreign patents and patent applications, copyrights (whether or not registered), applications for copyright, trademarks, service marks and trade names (whether registered or unregistered), and applications for registration of such trademarks, service marks and trade names, are set forth in Schedule 3.

(f) (i) Except as set forth in the Disclosure Schedule, this Agreement creates a security interest that is enforceable against the Collateral in which the Grantor now has rights and will create a security interest that is enforceable against the Collateral in which the Grantor hereafter acquires rights at the time the Grantor acquires any such rights; and (ii) the Secured Parties have a perfected and first priority security interest in the Collateral in which the Grantor now has rights, and will have a perfected and first priority security interest in the Collateral in which the Grantor hereafter acquires rights at the time the Grantor acquires any such rights, in each case securing the payment and performance of the Obligations.

(g) The names and addresses of all financial institutions at which the Grantor maintains its deposit accounts, and the account numbers and account names of such deposit accounts, are set forth in Schedule 2.

(h) All securities accounts of the Grantor and other investment property of the Grantor are set forth in Schedule 2. No account control agreements exist with respect to any investment property other than any account control agreements in favor of the Secured Parties.

(i) Grantor has the right and power to transfer the Collateral, and Grantor is the sole and complete owner of the Collateral, free from any Lien other than Permitted Liens.

SECTION 5. Covenants of the Grantor. Until this Agreement has terminated in accordance with Section 19 hereof, the Grantor agrees to do the following:

(a) Grantor shall give prompt written notice to Secured Parties (and in any event not later than 10 days following any change described below in this subsection) of: (i) any change in the location of Grantor's chief executive office or principal place of business; (ii) any change in the locations set forth in Schedule 1; (iii) any change in its name; (iv) any changes in its identity or structure in any manner which might make any financing statement filed hereunder incorrect or misleading; (v) any change in its registration as an organization (or any new such registration); or (vi) any change in its jurisdiction of organization; provided that Grantor shall not locate any Collateral outside of the United States nor shall Grantor change its jurisdiction of organization to a jurisdiction outside of the United States.

(b) The Grantor shall not surrender or lose possession of (other than to the Secured Parties), sell, lease, rent or otherwise dispose of or transfer any of the Collateral or any right or interest therein, except in the ordinary course of business consistent with past practice and except to the extent of equipment that is obsolete or no longer useful to its business; provided that no such disposition or transfer of the Collateral consisting of investment property or instruments shall be permitted while any Event of Default exists and no licenses or leases of intellectual property shall be made except on a non-exclusive basis.

(c) The Grantor shall keep the Collateral free of all Liens except Permitted Liens.

(d) If and when the Grantor shall obtain rights to any new patents, trademarks, service marks, trade names or copyrights, or otherwise acquire or become entitled to the benefit of, or apply for registration of, any of the foregoing, the Grantor: (i) shall promptly notify the Secured Parties thereof; and (ii) hereby authorizes the Majority Lenders (as defined in the Note Purchase Agreement to be at any time Lenders holding at least 60% of the then unpaid principal and interest of the Loan Amount, provided that any portion of a Lender's Note converted into equity of the Company shall not be considered outstanding for the purposes of this Definition) to modify, amend or supplement Schedule 3 and from time to time to include any of the foregoing and make all necessary or appropriate filings with respect thereto. The Grantor will, to the extent required by the Majority Lenders, promptly and diligently register any copyright, patent, trademark, service mark, trade name or other registrable intellectual property right.

(e) At the Majority Lenders request, Grantor will use its best efforts to obtain from each Person from whom Grantor leases any premises at which any Collateral is at any time present such collateral access, subordination, waiver, consent and estoppel agreements as the Majority Lenders may reasonably require, in form and substance reasonably satisfactory to the Majority Lenders.

(f) Grantor shall give the Secured Parties prompt notice of the acquisition of any instruments or securities, and shall not establish any new deposit account or any new securities account with respect to any investment property unless the Secured Parties have a perfected security interest in such account pursuant to a control agreement in form and substance satisfactory to the Majority Lenders.

SECTION 6. Collection of Accounts. Until the Majority Lenders exercise their rights hereunder to collect the accounts and other rights to payment, the Grantor shall endeavor in the first instance diligently to collect all amounts due or to become due on or with respect to

the accounts and other rights to payment. At the request of the Majority Lenders, upon the occurrence and during the continuance of any Event of Default, all remittances received by the Grantor shall be held in trust for the Secured Parties and, in accordance with the Majority Lenders instructions, remitted to the Secured Parties or deposited to an account of a Secured Party in the form received (with any necessary endorsements or instruments of assignment or transfer).

SECTION 7. Authorization; Secured Parties Appointed Attorney-in-Fact. Each Secured Party shall have the right, to, in the name of the Grantor, or in the name of the Secured Parties or otherwise, upon notice to, but without the requirement of assent by the Grantor, and the Grantor hereby constitutes and appoints each of the Secured Parties (and any employees or agents designated by a Secured Party) as the Grantor's true and lawful attorney-in-fact, with full power and authority to (i) sign any financing statements and other documents and instruments that must be executed or filed to perfect or continue perfection, maintain the priority of or provide notice of the Secured Parties' security interests in the Collateral (including any notices to or agreements with any securities intermediary); (ii) assert, adjust, sue for, compromise or release any claims under any policies of insurance; and (iii) execute any and all such other documents and instruments, and do any and all acts and things for and on behalf of Grantor, that such Secured Party may deem necessary or advisable to maintain, protect, realize upon and preserve the Collateral and Secured Parties' security interests therein and to accomplish the purposes of this Agreement. Each Secured Party agrees that, except upon and during the continuance of an Event of Default, it shall not exercise the power of attorney, or any rights granted to such Secured Party, pursuant to clauses (ii) and (iii). The foregoing power of attorney is coupled with an interest and is irrevocable so long as the Obligations have not been indefeasibly paid and performed in full and the Commitments not terminated. The Grantor hereby ratifies, to the extent permitted by law, all that the Secured Parties shall lawfully and in good faith do or cause to be done by virtue of and in compliance with this Section 7.

SECTION 8. Remedies.

(a) Upon the occurrence and during the continuance of an Event of Default (as defined in the Notes), the Majority Lenders may declare all or any of the Obligations to be immediately due and payable and the Secured Parties shall have, in addition to all other rights and remedies granted to the Secured Parties in this Agreement or the other Documents, all rights and remedies of a secured party under the UCC and other applicable laws. Without limiting the generality of the foregoing, the Secured Parties may sell, resell, lease, use, assign, license, sublicense, transfer or otherwise dispose of any or all of the Collateral in its then condition or following any commercially reasonable preparation or processing (utilizing in connection therewith any of Grantor's assets, without charge or liability to any Secured Party therefor) at public or private sale, by one or more contracts, in one or more parcels, at the same or different times, for cash or credit, or for future delivery without assumption of any credit risk, all as Majority Lenders deem advisable; provided, however, that Grantor shall be credited with the net proceeds of sale only when such proceeds are finally collected by the Secured Parties. Each Secured Party shall have the right upon any such public sale, and, to the extent permitted by law, upon any such private sale, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption, which right or equity of redemption Grantor hereby releases, to the extent permitted by law. Grantor hereby agrees that the sending of notice by ordinary

mail, postage prepaid, to the address of Grantor set forth herein, of the place and time of any public sale or of the time after which any private sale or other intended disposition is to be made, shall be deemed reasonable notice thereof if such notice is sent five days prior to the date of such sale or other disposition or the date on or after which such sale or other disposition may occur. For the purpose of enabling the Secured Parties to exercise their rights and remedies under this Section 8 or otherwise in connection with this Agreement and the other Documents, Grantor hereby grants to each Secured Party an irrevocable, non-exclusive and assignable license (exercisable without payment or royalty or other compensation to Grantor) to use, license or sublicense any intellectual property Collateral.

(b) The cash proceeds actually received from the sale or other disposition or collection of the Collateral, and any other amounts received in respect of the Collateral the application of which is not otherwise provided for herein, shall be applied first, to the payment of the reasonable costs and expenses of the Majority Lenders and Secured Parties in exercising or enforcing their rights hereunder and in collecting or attempting to collect any of the Collateral, and to the payment of all other amounts payable to the Secured Parties pursuant to Section 13 hereof; and second, to the payment of the Obligations. Any surplus thereof that exists after payment and performance in full of the Obligations shall be promptly paid over to the Grantor or otherwise disposed of in accordance with the UCC or other applicable law. The Grantor shall remain liable to the Secured Parties for any deficiency that exists after any sale or other disposition or collection of the Collateral.

SECTION 9. Intercreditor Provisions.

(a) Each of the Secured Parties acknowledges and agrees that the Liens in the Collateral in favor of such Secured Party created by this Agreement are intended to rank *pari passu* with the Liens in the Collateral created by this Agreement in favor of the other Secured Parties, irrespective of the time or order of attachment or perfection, or any other circumstances whatsoever, provided, however, that the agreement of the Secured Parties to such parity with the Liens of any other Secured Party is expressly conditioned upon the nonavoidability of such other lender's Lien and such agreement of parity shall not be effective as to any Lien of any other Secured Party to the extent such Lien is avoidable. Each Secured Party shall be treated as an administrative and collateral agent for the purpose of holding and perfecting the security interest of the Secured Parties in the Collateral; such that the security interest will be treated as being held for, and the steps taken to perfect such security interest treated as having been undertaken on behalf of, all Secured Parties. Each Secured Party has authorized each other Secured Party to take such action on its behalf to perfect and hold a security interest on its behalf in the Collateral and appointed each other Secured Party as its administrative and collateral agent for such purposes. The term "administrative agent" or "collateral agent" is used merely as a matter of market custom and is intended only to reflect an administrative relationship between independent contracting parties. Nothing in this Agreement shall, or shall be construed to, constitute any party as a trustee or fiduciary for any person. No Secured Party shall by virtue of this Agreement be treated as having assumed any obligation towards or relationship of agency or trust with or for the other Secured Party or any other person.

(b) No Secured Party is hereby obliged to take, nor shall they be responsible or liable to any other Secured Party for the failure to take, or for any defect in the manner of taking

or holding, any security interest in the Collateral. No covenant, function, responsibility, duty, obligation or liability shall be implied or read into this Agreement on the part of any Secured Party to take any steps to hold or perfect any security interest in the Collateral.

SECTION 10. Certain Waivers. The Grantor waives, to the fullest extent permitted by law: (i) any right of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling of the Collateral or other collateral or security for the Obligations; (ii) any right to require the Secured Parties to: (A) proceed against any Person, (B) exhaust any other collateral or security for any of the Obligations, (C) pursue any remedy in the Secured Parties' power or (D) make or give any presentments, demands for performance, notices of nonperformance, protests, notices of protests or notices of dishonor in connection with any of the Collateral; and (iii) all claims, damages and demands against the Secured Parties arising out of the repossession, retention, sale or application of the proceeds of any sale of the Collateral.

SECTION 11. Notices. All notices and other communications shall be made to the address and in the manner specified in the Note Purchase Agreement.

SECTION 12. No Waiver; Cumulative Remedies. No failure on the part of the Secured Parties to exercise, and no delay in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies under this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to the Secured Parties.

SECTION 13. Costs and Expenses. The Grantor agrees to pay on demand all costs and expenses of the Secured Parties, and the reasonable fees and disbursements of counsel, in connection with the enforcement or attempted enforcement of, and preservation of any rights or interests under, this Agreement, the Notes and the other Documents, including in any out-of-court workout or other refinancing or restructuring or in any bankruptcy case, and the protection, sale or collection of, or other realization upon, any of the Collateral, including all expenses of taking, collecting, holding, sorting, handling, preparing for sale, selling or the like and other such expenses of sales and collections of the Collateral. Any amounts payable to the Secured Parties under this Section 13 or otherwise under this Agreement if not paid when due shall bear interest from the date such payment is due until paid in full, at the rate of interest set forth in the Notes.

SECTION 14. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the Grantor, the Secured Parties and their respective successors and assigns.

SECTION 15. Governing Law.

(a) The Grantor hereby (i) submits to the non-exclusive jurisdiction of the courts of the State of California and the Federal courts of the United States sitting in the State of California for the purpose of any action or proceeding arising out of or relating to this Agreement and the Documents, (ii) agrees that all claims in respect of any such action or proceeding may be

heard and determined in such courts, (iii) irrevocably waives (to the extent permitted by applicable law) any objection which it now or hereafter may have to the laying of venue of any such action or proceeding brought in any of the foregoing courts, and any objection on the ground that any such action or proceeding in any such court has been brought in an inconvenient forum, and (iv) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner permitted by law.

(b) THE GRANTOR HEREBY AGREES TO WAIVE, AND THE SECURED PARTIES BY THEIR ACCEPTANCE HEREOF HEREBY AGREE TO WAIVE, THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE GRANTOR HEREBY AGREES, AND THE SECURED PARTIES BY THEIR ACCEPTANCE HEREOF HEREBY AGREE, THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT IN ANY WAY LIMITING THE FOREGOING, THE GRANTOR FURTHER AGREES, AND THE SECURED PARTIES BY THEIR ACCEPTANCE HEREOF FURTHER AGREE, THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM, OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR THE DOCUMENTS. A COPY OF THIS SECTION MAY BE FILED WITH ANY COURT AS WRITTEN EVIDENCE OF THE WAIVER OF THE RIGHT TO TRIAL BY JURY AND CONSENT TO TRIAL BY COURT.

SECTION 16. Entire Agreement; Amendment. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall not be amended except by the written agreement of the Grantor and the Majority Lenders.

SECTION 17. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under all applicable laws and regulations. If, however, any provision of this Agreement shall be prohibited by or invalid under any such law or regulation in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of this Agreement, or the validity or effectiveness of such provision in any other jurisdiction.

SECTION 18. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so

executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

SECTION 19. Termination. Upon indefeasible payment and performance in full of all Obligations and the termination of the Commitments, this Agreement shall terminate and the Secured Parties shall promptly, at the cost of the Grantor, execute and deliver to the Grantor such documents and instruments reasonably requested by the Grantor as shall be necessary to evidence termination of all security interests given by the Grantor to the Secured Parties hereunder; provided, however, that the obligations of the Grantor under Section 13 hereof shall survive such termination.

SECTION 20. Obligations of Secured Parties Several. The rights and obligations of each Secured Party under this Agreement are several and not joint. The failure of any Secured Party to carry out its obligations under this Agreement shall not relieve the Grantor or any other Secured Party of any obligation thereunder, nor shall any Secured Party be responsible for the obligations of, or for any action taken or omitted by, any other person hereunder or thereunder. Nothing contained in this Agreement shall be deemed to cause any Secured Party to be considered a partner of or joint venturer with any other Secured Party.

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement, as of the date first above written.

GRANTOR:
VIGILANCE, INC.

By: R S Gundersen

Name: R-S GUNDERSON

Title: CEO

SECURED PARTIES:

Red Rock Ventures, L.P.

By: _____

Title: _____

Kistler Associates

By: _____

Title: _____

Chevron Technology Ventures

By: _____

Title: _____

Jon and Susan Golovin Living Trust

By: _____

Title: _____

Lightspeed Ventures Partners VI, LP.

LP.
By ~~Venture Investors~~ General Partner, L.L.C.

By: [Signature]

Title: Arnald M. Johnson, Member

Lightspeed Venture Partners VI-A,
By ~~Venture Investors~~ General Partner, L.L.C.

By: [Signature]

Title: Arnald M. Johnson, Member

Lightspeed Venture Partners VI

Cayman, LP
By ~~Venture Investors~~ General Partner, L.L.C.

By: [Signature]

Title: Arnald M. Johnson, Member

Lightspeed Venture Partners

Entrepreneur VI, LP.
By ~~Venture Investors~~ General Partner, L.L.C.

By: [Signature]

Title: Arnald M. Johnson, Member

Lightspeed Venture Partners Entrepreneur VI-A, LP.

By ~~Venture Investors~~ General Partner, L.L.C.

By: [Signature]

Title: Arnald M. Johnson, Member

Signature Page- Security Agreement

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement, as of the date first above written.

**GRANTOR:
VIGILANCE, INC.**

By: _____

Name: _____

Title: _____

SECURED PARTIES:

Red Rock Ventures, L.P.

By: _____

Title: _____

Kistler Associates

By: _____

Title: _____

Chevron Technology Ventures LLC

By: *Clifford M. Pety*

Title: *Venture Executive*

Jon and Susan Golovin Living Trust

By: _____

Title: _____

**Lightspeed Ventures Partners VI, LP.
LP.**

By: _____

Title: _____

Lightspeed Venture Partners VI-A,

By: _____

Title: _____

**Lightspeed Venture Partners VI
Cayman, LP**

By: _____

Title: _____

**Lightspeed Venture Partners
Entrepreneur VI, LP.**

By: _____

Title: _____

Lightspeed Venture Partners Entrepreneur VI-A, LP.

By: _____

Title: _____

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement, as of the date first above written.

**GRANTOR:
VIGILANCE, INC.**

By: _____

Name: _____

Title: _____

SECURED PARTIES:

Red Rock Ventures, L.P.

By: _____

Title: _____

Kistler Associates

By: _____

Title: _____

Chevron Technology Ventures LLC

By: _____

Title: _____

Jon and Susan Golovin Living Trust

By: Jonathan Golovin

Title: Trustee

**Lightspeed Ventures Partners VI, LP.
LP.**

By: _____

Title: _____

Lightspeed Venture Partners VI-A,

By: _____

Title: _____

**Lightspeed Venture Partners VI
Cayman, LP**

By: _____

Title: _____

**Lightspeed Venture Partners
Entrepreneur VI, LP.**

By: _____

Title: _____

Lightspeed Venture Partners Entrepreneur VI-A, LP.

By: _____

Title: _____

SECURED PARTIES:

KISTLER ASSOCIATES

William Kistler

By: WILLIAM KISTLER

Its MANAGING PARTNER

Signature Page to Security Agreement

SCHEDULE 1
Schedule of Secured Parties

Lightspeed Venture Partners VI, LP
2200 Sand Hill Road
Menlo Park, CA. 94025

Lightspeed Venture Partners VI-A, LP
2200 Sand Hill Road
Menlo Park, CA. 94025

Lightspeed Venture Partners VI Cayman, LP
2200 Sand Hill Road
Menlo Park, CA. 94025

Lightspeed Venture Partners Entrepreneur VI, LP
2200 Sand Hill Road
Menlo Park, CA. 94025

Lightspeed Venture Partners Entrepreneur VI-A, LP
2200 Sand Hill Road
Menlo Park, CA. 94025

Red Rock Ventures, LP
180 Lytton Avenue
Palo Alto, CA. 94301

Chevron Technology Ventures, LLC
100 Chevron Way
Richmond, CA. 94802

Jon and Susan Golovin Living Trust
49 Faxon Road
Atherton, CA. 94027

Kistler Associates
985 5th Avenue
New York, New York 10021

SCHEDULE 2
to the Security Agreement

1. **Locations of Chief Executive Office and Other Locations, Including of Collateral**

a. Chief Executive Office and Principal Place of Business:

270 Santa Ana Court
Sunnyvale, CA. 94085

b. Other locations where the Grantor conducts business or the Collateral is kept:

N/A

2. **Trade Names and Trade Styles; Other Corporate, Trade or Fictitious Names, Etc.**

Vigilance

Vigilance, Inc.

3. **Deposit Accounts**

Silicon Valley Bank –Checking Account – 3300284644

Silicon Valley Bank –Checking Account – 3300074452

Silicon Valley Bank –Flexible Spending Account – 3300287568

Silicon Valley Bank –Payroll Account – 3300287515

Goldman Sachs - Money Market Account – 040-0145605

SCH-1

SCHEDULE 3
to the Security Agreement

1. **Patents and Patent Applications.**

Security System for Event Monitoring, Detection and Notification System – Application 09/886,402
Event Monitoring and Detection System – Application Number 09/886,397
Event Monitoring, Detection and Notification Security Functions- Application Number 09/886,403
Data Retrieval and Transmission System – Application Number 09/886,393
Event Notification System – Application Number 09/886,408
Collaborative Resolution and Tracking – Application Number 10/176,282
Method and Apparatus for processing Queries to Multi-Dimensional Data Structure – 10/211,862
Method and Apparatus for Processing Business Information from Multiple Systems – 09/231,819

2. **Copyrights (Registered) and Copyright Applications.**

Harmony Software Application

3. **Trademarks, Service Marks and Trade Names and Trademark, Service Mark and Trade Name Applications**

V Vigilance (Stylized)_(Color) - Serial # 76/177,927

Harmony Software, Inc. – Serial # 75/499,968

KPE – Serial # 76/307,650

V (Stylized and Color) – Serial #76/178,048

V VIGILANCE (Design) – 76/178,049

Vigilance - Serial # 76/155,458

V (Stylized) – Serial # 76/177,929

SCH-2

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RECORDED: 01/13/2003

TRADEMARK
REEL: 002650 FRAME: 0463