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U.S. Department of Commerce

Patent and Trademark Office



102379475

To the Honorable Commissioner of Patents and Trademark

or copy thereof.

1. Name of conveying party (OFFICE OF PUBLIC RECORDS)

LVL7 Systems, Inc.

2003 FEB 27 AM 9:32

FINANCE SECTION

- Individual
- General Partnership
- Corporation-State: Delaware
- Other

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

2. Name and address of receiving party(ies):

Silicon Valley Bank
3003 Tasman Drive
Santa Clara, California 95054

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from Assignment)

Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other _____

Execution Date: February 25, 2003

4. Application number(s) or registration number(s)

A. Trademark Application No(s): 76/288,409

B. Trademark Registration No(s):

Additional numbers attached? Yes No

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

W. Christopher Matton
Kilpatrick Stockton LLP
3737 Glenwood Avenue, Suite 400
Raleigh, North Carolina 27612

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41) \$ 40.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Statement and signature.

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

W. Christopher Matton
Name of Person Signing

Signature

February 27, 2003
Date

03/05/2003 6TOM11 00000101 76288409

Total number of pages comprising cover sheet: 1

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TRADEMARK
REEL: 002682 FRAME: 0567

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (the "Agreement") dated February 25, 2003, is between SILICON VALLEY BANK ("Bank") and LVL7 SYSTEMS, INC. ("Grantor").

RECITALS

A. Bank has agreed advances to Grantor as described in that certain Loan and Security Agreement between Bank and Grantor, dated as of October 28, 2002 (as modified, the "Loan Agreement").

B. Pursuant to the terms of the Consent, dated as of the date hereof, Bank will make such advances to Grantor only if Grantor grants Bank a security interest in all of Grantor's Copyrights, Trademarks, and Patents.

C. Grantor has granted to Bank a security interest in all of its right, title and interest, presently existing or later acquired to all the Collateral.

NOW THEREFORE, for good and otherwise valuable consideration, the parties hereto agree as follows (all capitalized terms used herein and not otherwise defined shall have their respective meanings as set forth in the Loan agreement):

AGREEMENT

Grantor grants Bank a security interest in all of its right, title and interest in its Intellectual Property (as defined in the Loan Agreement and including, without limitation, the Copyrights, Patents, and Trademarks listed on Schedules A, B, and C), and all proceeds thereof (such as license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements throughout the world and all re-issues, divisions, continuations, renewals, extensions and continuations-in-part, but excluding any of Grantor's rights under licenses from third parties that cannot be transferred.

If any Copyright, Patent or Trademark application is made or registration issues to Grantor after the date hereof, within thirty (30) days of such application or receipt of such certificate, Grantor will deliver to Bank a copy of such application and certificate and an assignment for security in such Copyright, Patent or Trademark application or registration, in form reasonably satisfactory to Bank. In the event Grantor fails to take any action to maintain any Copyright, Patent, or Trademark of Grantor, Bank may, in Bank's sole discretion and at Grantor's sole expense, take such action as is reasonably necessary to maintain any such Copyright, Patent, or Trademark of Grantor.

This security interest is granted in conjunction with the security interest granted under the Loan Agreement. Bank's rights and remedies in the security interest are in addition to those in the Loan Agreement and the other Loan Documents, and those available in law or equity. Bank's rights, powers and interests are cumulative with every right, power or remedy provided herein. Bank's exercise of its rights, powers or remedies in this Agreement, the Loan Agreement or any other Loan Document, does not preclude the simultaneous or later exercise of any or all other right, power or remedy.

This Agreement shall be governed by the laws of the State of North Carolina, without regard for choice of law provisions.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the year and date first written above.

GRANTOR:

LVL7 SYSTEMS, INC.

By: Albert D. Bender
Name: Albert D. Bender
Title: President & Chief Executive Officer

BANK:

SILICON VALLEY BANK

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the year and date first written above.

GRANTOR:

LVL7 SYSTEMS, INC.

By: _____
Name: _____
Title: _____

BANK:

SILICON VALLEY BANK

By: Andrew A. Rino
Name: Andrew A. Rino
Title: Sr. Vice President

Schedule A

Copyrights

United States Copyright Certificate of Registration Number TX 5-508-823, dated April 6, 2001, for the work titled "LVL7's Device Transformation Layer"

United States Copyright Certificate of Registration Number TX 5-370-791, dated April 6, 2001, for the work titled "LVL7 Device Transformation Layer: Enabling Applications to Run on Network Processors"

On January 9, 2002, the Company filed a United States Copyright Application for the work titled "LVL7 Systems Inc. FASTPATH Switching and Routing with Management, including the complete network processor and computer program(s) along with documentation."

On June 30, 2002, the Company filed a United States Copyright Application for the work titled "LVL7 Systems Inc. FASTPATH Bandwidth Provisioning and computer program(s) along with documentation."

Schedule B

Patents

United States Utility Patent Application, dated January 25, 2002, for Method and Apparatus for Admission Control in Packet Switch, Raymond Zeisz, Jr. and Michael Baucom, Jr. (Inventors). The Inventors have assigned their rights in the foregoing to the Company.

Schedule C

Trademarks

United States Trademark Application, dated July 18, 2001, for the trademark "FASTPATH" in Class 9 (U.S. 26).

The Company claims common law trademark rights in the name "LVL7" and related design.