

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Valaran Corporation		04/28/2005	CORPORATION: DELAWARE

RECEIVING PARTY DATA	
Name:	TL Ventures IV L.P.
Street Address:	c/o TL Ventures IV LLC ,435 Devon Park Drive
City:	Wayne
State/Country:	PENNSYLVANIA
Postal Code:	19087-1945
Entity Type:	CORPORATION: DELAWARE
Name:	Enertech Capital Partners II, L.P.
Street Address:	435 Devon Park Drive
City:	Wayne
State/Country:	PENNSYLVANIA
Postal Code:	19087-1945
Entity Type:	LIMITED PARTNERSHIP: DELAWARE
Name:	ECP II Interfund L.P.
Street Address:	435 Devon Park Drive
City:	Wayne
State/Country:	PENNSYLVANIA
Postal Code:	19087-1945
Entity Type:	LIMITED PARTNERSHIP: DELAWARE
Name:	TL Ventures IV Interfund L.P.
Street Address:	c/o TL Ventures IV LLC, 435 Devon Park Drive
City:	Wayne
State/Country:	PENNSYLVANIA
Postal Code:	19087-1945

CH \$65.00 2602237

Entity Type: LIMITED PARTNERSHIP: DELAWARE

PROPERTY NUMBERS Total: 2

Property Type	Number	Word Mark
Registration Number:	2602237	VALARAN
Registration Number:	2689272	V

CORRESPONDENCE DATA

Fax Number: (202)739-3001
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 2027395292
Email: trademarks@morganlewis.com, jfeldman@morganlewis.com
Correspondent Name: Jake D. Feldman
Address Line 1: 1111 Pennsylvania Avenue
Address Line 2: Attn: TMSU
Address Line 4: Washington, DISTRICT OF COLUMBIA 20004

NAME OF SUBMITTER:	Jake D. Feldman
Signature:	/Jake Feldman/
Date:	05/19/2005

Total Attachments: 25

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of April 28, 2005 (the "Intellectual Property Security Agreement") is made by and among Valaran Corporation, a Delaware corporation (the "Borrower"), each of the entities whose names are set forth on Schedule I attached hereto (as the same may be amended, modified or supplemented from time to time), and who have executed a counterpart signature page hereto (which entities are referred to collectively herein as the "Secured Parties" and each individually as a "Secured Party") and EnerTech Capital Partners II, L.P., a Delaware limited partnership in its capacity as a Secured Party and as agent (the "Agent") for all of the Secured Parties..

WITNESSETH:

WHEREAS, reference is hereby made to those certain Secured Convertible Promissory Notes made by the Borrower in favor of the Secured Parties in an aggregate original principal amount of up to \$1,250,000 (as amended, restated, modified or supplemented and in effect from time to time, the "Secured Notes") pursuant to that certain Convertible Note Purchase Agreement dated as of the date hereof among the Borrower and the Secured Parties (as amended, restated, modified or supplemented and in effect from time to time, the "Purchase Agreement"). Capitalized terms used in this Intellectual Property Security Agreement and not otherwise defined herein shall have the respective meanings set forth in the Security Agreement (defined below) or in the Purchase Agreement; and

WHEREAS, it is a condition precedent to the funding of the Secured Notes that the Borrower shall have granted the security interests contemplated by this Intellectual Property Security Agreement and the Security Agreement by and among the Borrower, the Secured Parties and the Agent, dated of even date herewith (as amended, restated, modified or supplemented and in effect from time to time, the "Security Agreement").

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Borrower does hereby absolutely grant and convey to the Secured Parties and the Agent, for the benefit of all Secured Parties, a collateral security interest in all of the Intellectual Property Collateral, now or hereafter owned, existing, created, acquired or held including:

- (a) All of the Copyright Collateral, which are presently, or in the future may be owned, existing, created, acquired or held by the Borrower, in whole or in part, as the same may be updated thereafter from time to time;
- (b) All of the Patent Collateral, which are presently, or in the future may be owned, existing, created, acquired or held by the Borrower, in whole or in part, as the same may be updated thereafter from time to time;
- (c) All of the Trade Secrets Collateral, which are presently, or in the future may be owned, existing, created, acquired or held by the Borrower, in whole or in part, as the same may be updated thereafter from time to time;

(d) All of the Trademark Collateral, Trade Secrets Collateral, which are presently, or in the future may be owned, existing, created, acquired or held by the Borrower, in whole or in part, including all registrations or applications for trademarks now or hereafter owned by the Borrower, as the same may be updated hereafter from time to time; and

(e) All of the Computer Hardware and Software Collateral, which are presently, or in the future may be owned, existing, created, acquired or held by the Borrower, in whole or in part, as the same may be updated thereafter from time to time.

Section 1. Borrower represents and warrants that:

(a) Borrower owns, or as a licensee is authorized to use, all the Copyright Collateral listed on Schedule A (if any), and that the Copyright Collateral listed thereon as registered with or awaiting registration by the United States Copyright Office constitutes all the Copyright Collateral that is the subject of a pending or issued registration in the United States Copyright Office as of the date hereof;

(b) Borrower owns, or as a licensee is authorized to use, all the Patent Collateral listed on Schedule B (if any), that, as to the Patent Collateral owned by Borrower, Borrower's ownership has been recorded with the U.S. Patent and Trademark Office, and that the Patent Collateral listed on Schedule B constitutes all the Patent Collateral;

(c) Borrower owns, or as a licensee is authorized to use, all the Trademark Collateral listed on Schedule C (if any), that, as to the Trademark Collateral owned by Borrower, Borrower's ownership has been recorded with the U.S. Patent and Trademark Office, and that the Trademark Collateral listed on Schedule C constitutes all the Trademark Collateral that is the subject of a pending or issued registration in the United States Patent and Trademark Office;

(d) Borrower owns, or as a licensee is authorized to use, all the Trade Secrets Collateral listed on Schedule D (if any) and that said Trade Secrets Collateral constitutes all the Trade Secrets Collateral;

(e) Borrower owns, or as a licensee is authorized to use, all the Computer Hardware and Software Collateral listed on Schedule E (if any) and that said Computer Hardware and Software Collateral constitutes all of the Computer Hardware and Software Collateral;

(f) The Borrower agrees, at the Agent's reasonable request and expense, on a semi-annual basis, to execute such additional agreements with respect to any new Patent Collateral, Trademark Collateral, Trade Secrets Collateral, Copyright Collateral and/or Computer Hardware and Software Collateral (collectively, the "Intellectual Property Collateral"), whether filed or issued, and in which the Borrower hereinafter obtains rights. Except as set forth on Schedule F hereinafter, the Borrower further warrants that, to the Borrower's knowledge, the Borrower's business operations (as currently operated and as presently contemplated to be operated in the future) do not infringe on any third party intellectual property right. The Borrower grants to the Secured Parties an absolute

power of attorney to sign any document which will be required by the United States Copyright Office or the United States Patent and Trademark Office in order to record the security interests in the Patent Collateral, Trademark Collateral and Copyright Collateral;

(g) No failure to maintain exists with respect to any of the Intellectual Property Collateral, and the Intellectual Property Collateral are subsisting and are believed to be valid or enforceable;

(h) Borrower owns each of the Intellectual Property Collateral, free and clear of any liens, charges and encumbrances, including pledges, assignments, licenses, registered user agreements, and covenants by Borrower not to sue third persons, other than the grant to the Secured Parties pursuant to this Intellectual Property Security Agreement and the Security Agreement, subject to (i) any and all liens, claims or encumbrances disclosed in the Purchase Agreement, and (ii) any and all licenses granted thereon to date and disclosed in the Purchase Agreement;

(i) Borrower has the unqualified right to enter into this Intellectual Property Security Agreement and perform its obligations set forth herein;

(j) Borrower has used, and will continue to use for the duration of this Intellectual Property Security Agreement, proper statutory notice in connection with its use of the Intellectual Property Collateral;

(k) The Borrower hereby agrees not to divest itself of any material right under any Intellectual Property Collateral, which divestiture could have a Condition on the Borrower or its ability to perform its obligations under the Purchase Agreement; and

(l) The Borrower agrees to promptly, upon receipt of an opinion of counsel, furnish to the Agent in writing all pertinent information available to the Borrower with respect to any infringement or other violation of the Borrower's rights in any Intellectual Property Collateral, which infringement or violation could have a Condition on the Borrower or its ability to perform its obligations under the Purchase Agreement and other transaction documents executed and delivered in connection therewith. Borrower further agrees to take legal action against any parties infringing upon any Intellectual Property Collateral to the extent such infringement could have a Condition on the Borrower, its properties or its ability to perform its obligations under the Purchase Agreement and the other transaction documents executed and delivered in connection therewith.

Section 2. If, before the Secured Obligations have been satisfied in full, Borrower shall obtain rights to any new Intellectual Property Collateral, or become entitled to the benefit of any patent for reissue, division continuation, renewal, extension, or continuation-in-part of any patent or any improvement on any patent, then the provisions hereof shall automatically apply thereto and Borrower shall give to the Agent prompt notice thereof in writing.

Section 3. Borrower authorizes the Agent, on behalf of the Secured Parties, to modify Schedule A, Schedule B, Schedule C, Schedule D or Schedule E of this Intellectual

Property Security Agreement to include any future Intellectual Property Collateral covered hereby.

Section 4. Upon the occurrence and during the continuance of any Event of Default under the Secured Notes:

(a) The Agent and the Secured Parties shall have, in addition to all other rights and remedies given to it by this Intellectual Property Security Agreement and the Secured Notes, those rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Intellectual Property Collateral may be located, including the right to sue for past, present, and future infringements thereof; and

(b) The Agent, on behalf of the Secured Parties, may, in addition to any other remedies which may be available to the Agent and the Secured Parties, without being deemed to have made an election of remedies, and without the assignment hereunder being deemed to be anything less than an absolute assignment, immediately, without demand of performance and without other notice (except as may be set forth below) or demand whatsoever to Borrower, all of which are hereby expressly waived, and without advertisement, sell at public or private sale (or, to the extent required by law, otherwise realize upon in a commercially reasonable manner), all or from time to time, any of the Intellectual Property Collateral, or any interest which the Borrower may have therein, and after deducting from the proceeds of sale or other disposition of the Intellectual Property Collateral all reasonable expenses (including all reasonable expenses for broker's fees and legal services), may apply the residue of such proceeds to the payment of the Secured Obligations. Any remainder of the proceeds after the payment in full of the Secured Obligations shall be paid over to the Borrower. Notice of any sale or other disposition of the Intellectual Property Collateral shall be given to Borrower at least ten (10) business days before the time of any intended public or private sale or other disposition of the Intellectual Property Collateral is to be made, which notice Borrower hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, the Agent, on behalf of the Secured Parties, may, to the extent permissible under applicable law, purchase the whole or any part of the Intellectual Property Collateral, as may be agreed to by and among the Secured Parties, free from any right or equity of redemption on the part of Borrower, which right and equity of redemption are hereby waived and released.

(c) All cash proceeds received by the Agent or the Secured Parties or any of them in respect of any sale of, collection from, or other realization upon all or any part of the Intellectual Property Collateral may, after payment of all expenses arising under this Intellectual Property Security Agreement, shall be applied against all or any part of Secured Obligations, first to accrued and unpaid interest under the Secured Notes, second to principal outstanding under the Secured Notes, and third to the other Secured Obligations, provided that such amounts shall be shared by each of the Secured Parties on a pro rata basis in accordance with the aggregate principal and interest owing under each of the Secured Notes then outstanding. To the extent any Secured Party receives any amount in excess of its pro rata share of such payment, such amount shall be held in trust

and delivered over to those Secured Parties then entitled to receive such amounts. Any surplus of such cash or cash proceeds received from any source or held by the Secured Parties and remaining after payment in full of all the Secured Obligations to the Secured Parties shall be paid over to the Borrower.

Section 5. At such time as the Borrower shall completely satisfy all of the Secured Obligations, this Agreement shall terminate and the Secured Parties shall promptly execute and deliver to the Borrower at the Borrower's expense all releases and other instruments as may be necessary or proper to release the security interest in and to the Intellectual Property Collateral, subject to any disposition thereof which may have been made by the Secured Parties pursuant hereto and in accordance with the terms hereof.

Section 6. The Borrower shall have the duty with respect to Intellectual Property Collateral it owns, and as to Intellectual Property Collateral it holds as licensee, to the extent permissible pursuant to the underlying license agreement, through counsel of its own choosing, to litigate diligently any actions for or of the Intellectual Property Collateral pending as of the date of this Intellectual Property Security Agreement or thereafter until the Secured Obligations shall have been paid in full, to file and diligently prosecute federal applications on registerable but unregistered trademarks and copyrights including filing and prosecuting opposition and cancellation proceedings, to file and diligently prosecute federal applications on patentable but unpatented inventions, and to do any and all acts which are reasonably necessary or desirable to preserve and maintain all rights in the Intellectual Property Collateral. Any expenses incurred in connection with the Intellectual Property Collateral shall be borne by Borrower. The Borrower shall not abandon any Intellectual Property Collateral other than in the ordinary course of business without the prior written consent of the Agent.

Section 7. If Borrower fails to comply with any of its obligations hereunder, the Agent may do so in Borrower's name or in the Secured Parties' name or names, but at Borrower's expense, and Borrower hereby agrees to reimburse the Agent in full for all expenses, including reasonable attorney's fees, incurred by the Agent in protecting, defending and maintaining the Intellectual Property Collateral.

Section 8. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient, and if not, then on the next business day; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications intended for the Borrower shall be sent to the Borrower at 212 Carnegie Center, Princeton, New Jersey 08540, Attention: Darrell Jennings, Chief Executive Officer; with a copy which shall not constitute notice, to Torys LLP, 237 Park Avenue, 20th Floor, New York, New York, 10017, Attention: Sandy K. Feldman, Esq. and all communications intended for the Secured Parties or any of them shall be sent to the respective addresses for such the Secured Party or Secured Parties set forth on Schedule I attached hereto, with a copy to Morgan, Lewis & Bockius, LLP, 1701 Market Street, Philadelphia, Pennsylvania 19103, Attn: Andrew Hamilton,

Esq., or at such other address as the Borrower or the Secured Parties may designate by ten (10) days advance written notice to the other parties hereto.

Section 9. This Intellectual Property Security Agreement shall create a continuing security interest in the Intellectual Property Collateral and shall (1) remain in full force and effect until payment in full of the Secured Obligations, (2) be binding upon the Borrower, its permitted successors and assigns, and (3) inure to the benefit of the Secured Parties and their respective permitted successors, transferees and assigns. Upon the payment in full of the Secured Obligations, the security interest granted hereby shall terminate and all rights to the Intellectual Property Collateral shall revert to the Borrower. Upon any such termination, the Secured Parties shall, at the Borrower's expense, promptly execute and deliver to the Borrower such documents as the Borrower may reasonably request to evidence such termination.

Section 10. The Secured Parties shall not be required to marshal any present or future collateral security (including the Intellectual Property Collateral) for, or other assurances of payment of, the Secured Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of their rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, 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 Secured Parties' rights and remedies under this Intellectual Property Security Agreement or under any other instrument creating or evidencing any of the Secured Obligations or under which any of the Secured Obligations is outstanding or by which any of the Secured 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.

Section 11. Agent.

(a) Appointment; Nature of Relationship. EnerTech Capital Partners II L.P. is hereby appointed by the Secured Parties as the Agent hereunder, and each of the Secured Parties irrevocably authorizes the Agent to act as the contractual representative of such Secured Party with the rights and duties expressly set forth herein. The Agent agrees to act as such contractual representative upon the express conditions contained in this Section 11. Notwithstanding the use of the defined term "Agent," it is expressly understood and agreed that the Agent shall not have any fiduciary responsibilities to any Secured Party by reason of this Agreement and that the Agent is merely acting as the representative of the Secured Parties with only those duties as are expressly set forth in this Agreement. In its capacity as the Secured Parties' contractual representative, the Agent (i) does not assume any fiduciary duties to any of the Secured Parties, (ii) is a "representative" of the Secured Parties within the meaning of Section 9-102 of the Uniform Commercial Code and (iii) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement. Each of the Secured Parties, for itself and on behalf of its affiliates, agrees to assert no claim against

the Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Secured Party hereby expressly waives.

(b) Powers. The Agent shall have and may exercise such powers under this Agreement as are specifically delegated to the Agent by the terms hereof, together with such powers as are reasonably incidental thereto. The Agent shall have no implied duties or fiduciary duties or responsibilities to the Secured Parties, or any obligation to the Secured Parties, to take any action hereunder except any action specifically provided hereunder as required to be taken by the Agent. Any action allowed or required to be taken hereunder by the Agent which requires consent of the Purchasers holding a majority of the aggregate principal amount of all outstanding Secured Notes (the "Majority Purchasers") shall only be taken by the Agent after gaining prior consent of the Majority Purchasers.

(c) General Immunity. Neither the Agent nor any of its directors, officers, agents, employees or legal counsel shall be liable to the Borrower or any Secured Party for any action taken or omitted to be taken by it or them hereunder or under any other Purchaser Document or in connection herewith or therewith except to the extent such action or inaction is found in a final judgment by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of such Person or breach by such Person.

(d) No Responsibility for Loans, Creditworthiness, Recitals. Neither the Agent nor any of its directors, officers, agents, employees or legal counsel shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with any Purchase Document or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of any obligor under any Purchase Document; (iii) the satisfaction of any conditions specified in herein, except receipt of items required to be delivered solely to the Agent; (iv) the existence or possible existence of any Event of Default; or (v) the validity, effectiveness or genuineness of any Purchase Document or any other instrument or writing furnished in connection therewith. The Agent shall not be responsible to any Secured Party for any recitals, statements, representations or warranties herein or any of the other Purchase Documents, for the perfection or priority of the Liens on any of the Collateral, or for the execution, effectiveness, genuineness, validity, legality, enforceability, collectibility, or sufficiency of this Agreement or any of the other Purchase Documents or the transactions contemplated thereby, or for the financial condition of the Borrower.

(e) Action on Instructions of Secured Parties; Actions with Respect to Defaults. The Agent shall have the right to request instructions from the Secured Parties at any time. If the Agent shall request instructions from the Secured Parties with respect to any act or action (including the failure to act) in connection with this Agreement or any other Purchase Document, the Agent shall be entitled to refrain from such act or taking such action unless and until the Agent shall have received instructions signed by the Majority Purchasers, and the Agent shall not incur liability to any Person by reason of so refraining, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Secured Parties. Without limiting the foregoing, no Secured Party shall have any right of action whatsoever against the Agent as a result of the Agent

acting or refraining from acting hereunder in accordance with the instructions of all of the the Majority Purchasers. The Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Purchase Document unless it shall first be indemnified to its satisfaction by the Secured Parties pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

(f) Employment of Agents and Counsel. The Agent may execute any of its duties as the Agent hereunder by or through employees, agents, and attorneys-in-fact and shall not be liable to the Secured Parties, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Agent and the Secured Parties and all matters pertaining to the Agent's duties hereunder.

(g) The Agent's Reimbursement and Indemnification. Each Secured Party agrees to reimburse and indemnify the Agent ratably in proportion to its pro rata share of the Secured Notes for (i) any amounts not reimbursed by the Borrower for which the Agent, in its capacity as such, is entitled to reimbursement by the Borrower under the Purchase Documents, (ii) any other expenses incurred by the Agent, on behalf of the Secured Parties, in connection with the preparation, execution, delivery, administration and enforcement of the Purchase Documents and (iii) any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Agent, in its capacity as such, in any way relating to or arising out of the Purchase Documents or any other document delivered in connection therewith or the transactions contemplated thereby, or the enforcement of any of the terms thereof or of any such other documents, provided, that no Secured Party shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have arisen solely from the gross negligence or willful misconduct of the Agent.

(h) Rights as a Secured Party. The Agent shall have the same rights and powers hereunder and under any other Purchase Document as any Secured Party and may exercise the same as though it were not the Agent, and the term "Secured Party" or "Secured Parties" shall, unless the context otherwise indicates, include the Agent in its individual capacity.

(i) Successor Agent. The Agent may resign at any time by giving written notice thereof to the Secured Parties and the Borrower. Upon any such resignation, the Majority Purchasers shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Majority Purchasers and shall have accepted such appointment within thirty days after the retiring Agent's giving notice of resignation, then the retiring Agent may appoint a successor Agent. Upon the acceptance of any appointment as the Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder (other than obligations for which the retiring Agent may be held liable hereunder with respect to the action or inaction of such retiring Agent taken or

occurring prior to the date of such retiring Agent's replacement). After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 11 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Agent hereunder.

(j) Loan Documents; Collateral.

(i) Collective Rights. Each Secured Party agrees that no Secured Party shall have the right individually to seek to realize upon the security granted by any Purchaser Document, it being understood and agreed that such rights and remedies may be exercised solely by the Agent for the benefit of the Secured Parties under the terms hereof.

(ii) Authority to Execute and Deliver. In the event that any Collateral is hereafter pledged by any Person as collateral security for the Secured Obligations, the Agent is hereby authorized to execute and deliver on behalf of the Secured Parties any Purchase Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of the Agent, on behalf of the Secured Parties.

(iii) Authority to Release Liens. The Secured Parties hereby authorize the Agent, upon consent of the Majority Purchasers, to release, subordinate or otherwise modify or terminate any Lien granted hereunder upon any Collateral. Subject to the consent of the Majority Purchasers, upon request by the Agent at any time, the Secured Parties will confirm in writing the Agent's authority to release, subordinate or otherwise modify or terminate particular types or items of Collateral, provided, however, no such authorization shall be required upon a termination of the security interest granted hereby upon payment in full of the Secured Obligations described in the second sentence of Section 9 hereof.

(iv) No Obligation to Monitor Collateral. The Agent shall have no obligation whatsoever to the Secured Parties or to any other Person to assure that the Collateral exists or is owned by the Borrower or is cared for, protected or insured or that the Liens granted to the Agent under the Purchase Documents have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, or to exercise or to continue exercising at all or in any manner or under any duty of care, disclosure or fidelity any of the rights, authorities and powers granted or available to the Agent in this Section 11 or in any of the Purchase Documents, it being understood and agreed that in respect of the Collateral, or any act, omission or event related thereto, the Agent may act in any manner it may deem appropriate, in its sole discretion, given the Agent's own interest in the Collateral as one of the Secured Parties and that the Agent shall have no duty or liability whatsoever to the Secured Parties, except for its gross negligence or willful misconduct.

(k) Majority Purchaser's Instructions. The Agent may (but shall have no duty to) at any time or from time to time request instructions from the Majority Purchasers as to its powers and duties hereunder or as to the taking of any particular action, and may

refrain from taking any actions or exercising any power until a Majority Purchasers' Instruction with respect thereto has been received. As used herein, the term "Majority Purchasers' Instruction" shall mean a written direction received by the Agent purporting to have been executed by the holders of 50% or more of the aggregate principal amount of Notes then outstanding. Each Majority Purchasers' Instruction, if duly given in accordance herewith, shall be binding upon all Secured Parties and all subsequent holders of Notes. The Secured Parties hereby agree that no Majority Purchasers' Instruction shall be given in any manner that would require the Agent to act or refrain from acting in any manner inconsistent with applicable law, this Intellectual Property Security Agreement or the Security Agreement. When requesting instructions, the Agent shall promptly give notice (in such form as shall be appropriate under the circumstances) to the Majority Purchasers, requesting instruction as to the course of action to be adopted, and to the extent the Agent acts in good faith in accordance with any Majority Purchasers' Instruction received, the Agent shall not be liable on account of such action to any person. If the Agent shall not have received appropriate instruction within 10 days of such notice (or within such shorter period of time as reasonably may be specified in such notice or may be necessary under the circumstances) it may, but shall be under no duty to, take or refrain from taking any such action not inconsistent with this Intellectual Property Security Agreement or the Security Agreement, as it shall deem to be in the best interests of the Secured Parties, and shall have no liability to any person for such action or inaction.

Section 12. The Borrower agrees that any action or claim arising out of any dispute in connection with this Intellectual Property Security Agreement, any rights or obligations hereunder or the performance or enforcement of such rights or obligations may be brought in the courts of the Commonwealth of Pennsylvania 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 regular or certified mail at the address specified in paragraph 8 above. 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.

Section 13. THE PARTIES HERETO WAIVE THEIR RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OR ENFORCEMENT OF ANY SUCH RIGHTS OR OBLIGATIONS. Except as prohibited by law, the parties hereto waive any right which they may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages.

Section 14. All of the Secured Parties' rights and remedies with respect to the Intellectual Property Collateral, whether established hereby or by the Purchase Agreement, Security Agreement, Secured Notes, or by any other agreement(s) or by law, shall be cumulative and may be exercised singly or concurrently.

Section 15. Concurrently herewith the Borrower is executing and delivering to the Secured Parties the Security Agreement, pursuant to which the Borrower is granting a security interest to the Secured Parties in the Collateral. The provisions of the Security Agreement are supplemental to the provisions of this Intellectual Property Security Agreement, and nothing contained in the Security Agreement shall derogate from any of the rights or remedies of the Secured Parties hereunder. Neither the delivery of, nor anything contained in, the Security Agreement shall be deemed to prevent or postpone the time of attachment or perfection of any security interest in such Collateral created hereby.

Section 16. The provisions of this Intellectual Property Security Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Intellectual Property Security Agreement in any jurisdiction.

Section 17. This Intellectual Property Security Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered by all parties shall be deemed to be an original and shall be binding upon all parties, their successors and assigns, and all of which taken together shall constitute on and the same agreement.

Section 18. This Intellectual Property Security Agreement shall be binding upon and shall inure to the benefit of the successors or assigns of the Borrower and each Secured Party and shall constitute a continuing agreement, applying to all future as well as existing transactions between the Borrower and the Secured Parties and their successors and assigns.

Section 19. THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF DELAWARE. Unless otherwise defined herein or in the Secured Notes, terms used in Article 9 of the Code in the State of Delaware are used herein and in any Schedule hereto as therein defined.

Section 20. This Intellectual Property Security Agreement and the Security Agreement supercede all prior or contemporaneous agreements, oral or written among the parties concerning the subject matter hereto. This Intellectual Property Agreement is in addition to and not in limitation of any other rights and remedies the Secured Parties may have by virtue of any other document executed by the Borrower or by law or otherwise. All of the rights and remedies of the Secured Parties hereunder are cumulative and not exclusive of any other right or remedy provided hereunder or by applicable law. The Secured Parties shall not by any delay or omission be deemed to have waived any of their rights

or remedies hereunder. A waiver by the Secured Parties of any right or remedy hereunder on any one occasion shall not be construed as a bar to or waiver of any such right or remedy which the Secured Parties would have had on any future occasion nor shall the Secured Parties be liable for exercising or failing to exercise any such right or remedy. If any term of this Intellectual Property Security 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 Intellectual Property Security 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 Intellectual Property Security Agreement.

Section 21. Any term, covenant, agreement or condition of this Intellectual Property Security Agreement may be amended, and compliance therewith may be waived (either generally or in a particular circumstance and either retroactively or prospectively), by one or more substantially concurrent written instruments signed by the Borrower and by the Agent, on behalf of the Secured Parties, in accordance with the authority granted to the Agent contained herein, including a Majority Purchaser's Instructions. Any amendment or waiver effected in accordance with this Section 21 shall be binding upon all Secured Parties and the Borrower. No other amendment or waiver of any provision of this Intellectual Property Security Agreement or consent to any departure by the Borrower herefrom shall be effective or enforceable for any purpose. Any waiver or consent given to the Borrower hereunder shall be effective only in the specific instance and for the specific purpose for which given.

Section 22. Any person or entity who becomes a Purchaser under the Purchase Agreement shall become a party to this Intellectual Property Security Agreement as a Secured Party for all purposes hereunder as if such person had been an original signatory, upon delivery by such Purchaser of a signature page hereto acknowledged by the Borrower.

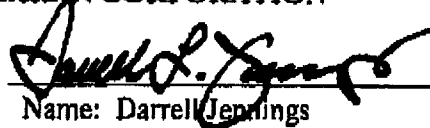
Section 23. Unless the context of this Intellectual Property Security Agreement clearly requires otherwise, (a) references to the plural include the singular, the singular the plural, the part the whole, (b) references to any gender include all genders, (c) "including" has the inclusive meaning frequently identified with the phrase "but not limited to" and (d) references to "hereunder" or "herein" relate to this Intellectual Property Security Agreement. Any determination as to whether a situation is material shall be made by taking into account the effect of all other provisions of this Intellectual Property Security Agreement that contain a qualification with respect to materiality so that the determination is made after assessing the aggregate effect of all such situations. Section, subsection, Schedule and Exhibit references are to this Intellectual Property Security Agreement unless otherwise specified. Any reference to a party's being satisfied with any particular item or to a party's determination of a particular item presumes that such standard will not be achieved unless such party shall be satisfied or shall have made such determination in its sole or complete discretion.

[Signature page follows]

WITNESS the execution hereof under seal as of the day and year first above written.

VALARAN CORPORATION

By:



Name: Darrell Jennings

Title: Chief Executive Officer

VALARAN CORPORATION

**Counterpart Signature Page
to Intellectual Property Security Agreement dated as of April 28, 2005**

Executed as of April 28, 2005

SECURED PARTY AND AGENT:

ENERTECH CAPITAL PARTNERS II L.P. 435 Devon Park Drive
Wayne, Pennsylvania 19087-1945
Attention: Director of Finance
Telephone: (610) 254-4111
Telecopier: (610) 254-4188

By: ECP II Management L.P.,
its general partner

By: ECP II Management LLC,
its general partner

By: 
Name: William G. Kingsley
Title: Managing Director

VALARAN CORPORATION

**Counterpart Signature Page
to Intellectual Property Security Agreement dated as of Apr 128, 2005**

Executed as of April 28, 2005

SECURED PARTY:

ECP II INTERFUND L.P.

By: FCP II Management LLC,
its general partner

435 Devon Park Drive
Wayne, Pennsylvania 19087-1945
Attention: Director of Finance
Telephone: (610) 254-4111
Telecopier: (610) 254-4118

By: 

Name: William G. Kingsley
Title: Managing Director

VALARAN CORPORATION
Counterpart Signature Page
to Intellectual Property Security Agreement dated as of April 28, 2005

Executed as of April 28, 2005

SECURED PARTY:

TL VENTURES IV L.P.

By: TL Ventures IV Management L.P.,

its general partner

By: TL Ventures IV LLC,

its general partner

700 The Safeguard Building
435 Devon Park Drive
Wayne, Pennsylvania 19087-1945
Attention: Chief Financial Officer
Telephone: (610) 971-1515
Telecopier: (610) 975-9330

By: _____

Name: Michael Burns

Title: Managing Director

VALARAN CORPORATION

**Counterpart Signature Page
to Intellectual Property Security Agreement dated as of April 28, 2005**

Executed as of April 28, 2005

SECURED PARTY:

TL VENTURES IV INTERFUND L.P.

By: TL Ventures IV Management L.P.,

its general partner

By: TL Ventures IV LLC,

its general partner

700 The Safeguard Building
435 Devon Park Drive
Wayne, Pennsylvania 19087-1945
Attention: Chief Financial Officer
Telephone: (610) 971-1515
Telecopier: (610) 975-9330

By: 

Name: Michael Burns

Title: Managing Director

Schedule I

SECURED PARTY NAME AND ADDRESS

Name: EnerTech Capital Partners II L.P.

Address: 435 Devon Park Drive
Wayne, Pennsylvania 19087-1945
Attention: Director of Finance
Telephone: (610) 254-4141
Telecopier: (610) 254-4188

Name: ECP II Interfund L.P.

Address: 435 Devon Park Drive
Wayne, Pennsylvania 19087-1945
Attention: Director of Finance
Telephone: (610) 254-4141
Telecopier: (610) 254-4188

Name: TL Ventures IV L.P.

Address: c/o TL Ventures IV LLC
435 Devon Park Drive
Wayne, Pennsylvania 19087-1945
Attention: Director of Finance
Telephone: (610) 971-1515
Telecopier: (610) 975-9330

Name: TL Ventures IV Interfund L.P.

Address: c/o TL Ventures IV LLC
435 Devon Park Drive
Wayne, Pennsylvania 19087-1945
Attention: Director of Finance
Telephone: (610) 971-1515
Telecopier: (610) 975-9330

Schedule A

Copyrights

1. Vaerial Software: Registration No. TXU-1-039-097. Registered May 29, 2002.
2. Dynamic Business Framework Software (derivative work of item 1 above). Not currently registered and no application pending.

Schedule B

Patent Applications Owned by Valaran

<u>Application S/N</u>	<u>Type</u>	<u>Filing Date</u>	<u>Docket #</u>	<u>Description</u>
US 60/283,259**	Provisional	4/12/01	SYN006-02P	Log Service
US 10/121,382+++	Non-Provisional	4/12/02	SYN006-09	Log Service
PCT/US02/113482***	PCT	4/12/01	SYN006-09PCT	Log Service
US 60/309,438**	Provisional	8/1/01	SYN006-03P	Garbage Collection
US 10/209,762	Non-Provisional	8/1/02	SYN006-11	Garbage Collection
PCT/US02/24388***	PCT	8/1/02	SYN006-11PCT	Garbage Collection
US 60/332,388**	Provisional	10/22/01	SYN006-06P	Resource Service
US 10/135,082	Non-Provisional	4/29/02	SYN006-08	Resource Service
PCT/US02/33611***	PCT	10/21/02	SYN006-08PCT	Resource Service
US 60/380,381**	Provisional	5/13/02	SYN006-10P	Event Router
US 60/447,201**	Provisional	2/12/03	SYN006-13P	Gateway Service
US 60/554,233	Provisional (refilling of 60/447,201)	3/18/04	SYN006-13P	Gateway Service
US 11/083252	Non-Provisional	3/17/05	VAL01-15	Gateway Service
US 10/435,797	Non-Provisional	5/12/03	SYN006-14	Event Router
PCT/US03/15028++	PCT	5/13/03	SYN006-14PCT	Event Router
3728867.7	EPO	11/5/2004	SYN006-14EPO	Event Router

**1 year provisional period expired.

***Period for entering national phase expired with no national applications filed.

++Period to file National Phase expired – EPO filed

+++Intentionally Abandoned

Note: All applications, are licensed to Kayak Corporation on a non-exclusive basis.

Patent Applications Licensed* by Kayak to Valaran

<u>Application S/N</u>	<u>Type</u>	<u>Filing Date</u>	<u>Docket #</u>	<u>Description</u>
US 09/928,028	Non-Provisional	8/10/01	SYN006-04	Grouping
PCT/US02/23551++	PCT	7/24/02	SYN006-04PCT	Grouping
2761165.6	EPO	3/3/04	SYN006-04EPO	Grouping
US 09/940,367	Non-Provisional	8/28/01	SYN006-05	Group Transitions
PCT/US02/23554++	PCT	7/24/02	SYN006-05PCT	Group Transitions
2759180.9	EPO	3/3/04	SYN006-05PCT	Group Transitions
US 60/405,488**	Provisional	8/23/02	SYN006-12P	Secure Collaborative Applications (NIST)
US 10/645,407	Non-Provisional (claims priority to SYN006-12P)	8/21/03	JAM027-01	Device Surrogates for Multiplayer Games
PCT/US03/26372++	PCT (claims priority to SYN006-12P)	8/22/03	JAM027-01PCT	Device Surrogates for Multiplayer Games
03793308.2	EPO	3/11/05	JAM027-01EPO	Device Surrogates for Multiplayer Games

*Non-exclusive license as described in the JamSession/Valaran First Amended Patent and Technology License Agreement

**1 year provisional period expired.

++Period to file National Phase expired – EPO filed

* One year provisional period expired

Schedule C

Trademarks

Mark	Registration No.	IC	Registration Date
Valaran	2,602,237	9, 42	7/30/02
V (stylized)	2,689,272	42	2/18/03
Valaran (CTM)	2,027,506	9, 42	5/29/02

Domain Names

1. www.valaran.com
2. www.valaran.org
3. www.valaran.net
4. www.finegrain.org

Schedule D

Trade Secrets Collateral

None

Schedule E

Computer Hardware and Software Collateral

1. First Amended Patent and Technology License Agreement, dated November 10, 2003, between the Company and JamSession Corporation (now Kayak, Inc.)

2. The Company's software products are generally being developed using software known as JINI which is licensed from Sun Microsystems, Inc. ("Sun"). The source code for JINI is made available by Sun to the public on a royalty fee basis subject to certain licensing conditions to which users such as the Company are subject. Among these conditions is a requirement that, in order to commercially distribute the Company products based on JINI, a Commercial Use Supplement be signed by Sun. This requirement has been completed by the Company. The company may elect to use the JINI Compatibility Logo (which Logo is the subject of a separate license agreement) in its product marketing by passing a JINI compatibility test provided by Sun. This election has not been taken by the Company.

Under certain circumstances, the license may also restrict the Company from bringing certain types of patent infringement claims against other licensed JINI users. Copies of the relevant licenses as well as additional information can be found at www.sun.com/jini/licensing/licenses.html.

3. Blaze business process modeling module licensed to the Company by Fair Isaac Corporation.

The parties have agreed not to schedule third party commercially available items since they are covered by the tangibles and intangibles in the Security Agreement.

Schedule F

Third Party Claims

None