



## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of December 2, 2005 by and between SILICON VALLEY BANK ("Bank") and NCIRCLE NETWORK SECURITY, INC. ("Grantor").

### RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodation to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor of even date herewith by and between the Bank and the Grantor (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement). Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

B. Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement, Grantor hereby represents, warrants, covenants and agrees as follows:

### AGREEMENT

To secure its obligations under the Loan Agreement, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

*[SIGNATURES APPEAR ON THE FOLLOWING PAGE]*

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

Address of Grantor:

NCIRCLE NETWORK SECURITY, INC.

\_\_\_\_\_

By: 

Title: CFO

Attn: \_\_\_\_\_

BANK:

Address of Bank:

SILICON VALLEY BANK

3003 Tasman Drive  
Santa Clara, CA 95054-1191

By: 

Title: Senior Relationship Manager

Attn: \_\_\_\_\_

EXHIBIT A

Copyrights

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
N/A	N/A	N/A

**EXHIBIT B**

Patents

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
Interoperability of Vulnerability and Intrusion Detection Systems	6957348 ✓	10/18/2005

**EXHIBIT C**

Trademarks

<u>Mark</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>	<u>Status</u>	<u>Country / Convention</u>
NCIRCLE	2,821,318	3/9/2004	Registered	U.S.
NCIRCLE	3,003,552	10/04/2005	Registered	U.S.
NCIRCLE	2,743,551	7/29/2003	Registered	U.S.
HIVERWORLD	2,665,391	12/24/2002	Registered	U.S.
ONTOLOGY	76-067579	6/9/2000	Abandoned	U.S.
FACTORED REASONING	78-304422	9/23/2003	Abandoned	U.S.