

SUBMITTER COMPANY: Faxed to Submitter's Fax Number

09/14/2007 FRI 11:12 FAX 9193143110 Square 1 Bank HQ

002/009

Form PTO-1594 (Rev. 07/05)  
OMB Collection 0651-0027 (exp. 6/30/2008)

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

### RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

**1. Name of conveying party(ies):**

NETWORK PHYSICS, INC.

- Individual(s)
- General Partnership
- Corporation- State: Delaware
- Other \_\_\_\_\_
- Association
- Limited Partnership

Citizenship (see guidelines) \_\_\_\_\_

Additional names of conveying parties attached?  Yes  No

**3. Nature of conveyance /Execution Date(s) :**

Execution Date(s) August 15, 2007

- Assignment
- Security Agreement
- Other \_\_\_\_\_
- Merger
- Change of Name

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

Additional names, addresses, or citizenship attached?  Yes  No

Name: Square 1 Bank  
 Internal Address: Jennifer Howard  
 Street Address: 406 Blackwell St. Suite 240  
 City: Durham  
 State: NC  
 Country: \_\_\_\_\_ Zip: 27701

- Association Citizenship \_\_\_\_\_
- General Partnership Citizenship \_\_\_\_\_
- Limited Partnership Citizenship \_\_\_\_\_
- Corporation Citizenship \_\_\_\_\_
- Other \_\_\_\_\_ Citizenship \_\_\_\_\_

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)

**4. Application number(s) or registration number(s) and identification or description of the Trademark.**

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

78796273, 78488875, 78488870, 78488866, 78488860, 78083681, 2832241

Additional sheet(s) attached?  Yes  No

**C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):**

SEE EXHIBIT C ATTACHED

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

Name: Jennifer Howard  
 Internal Address: Square 1 Bank  
 Street Address: 406 Blackwell St.  
Suite 240  
 City: Durham  
 State: NC Zip: 27701  
 Phone Number: 919-314-3123  
 Fax Number: 919-314-3110  
 Email Address: jhoward@square1bank.com

**6. Total number of applications and registrations involved:**

7

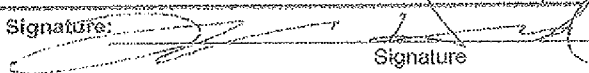
**7. Total fee (37 CFR 2.6(b)(8) & 3.41) \$ 200.00**

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

**8. Payment Information:**

a. Credit Card Last 4 Numbers \_\_\_\_\_  
 Expiration Date \_\_\_\_\_  
 b. Deposit Account Number 50-3822  
 Authorized User Name Jennifer Howard

**9. Signature:**



Signature

9/14/07

Date

Jennifer Howard  
Name of Person Signing

Total number of pages including cover sheet, attachments, and document: \_\_\_\_\_

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

CH \$190.00 503822 78796273

0: SUBMITTER COMPANY: Faxed to Submitter's Fax Number

09/14/2007 FRI 11:14 FAX 9193143110 Square 1 Bank HQ

004/009

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is entered into as of August 15, 2007 by and between SQUARE 1 BANK ("Bank") and NETWORK PHYSICS, INC., a Delaware corporation ("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 as amended by and between Bank and Grantor dated November 29, 2006 (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).

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. The description of Collateral in the Loan Agreement excluded Intellectual Property, but included, among other things, Rights to Payment.

C. Bank is willing to extend and to continue to extend financial accommodations to Grantor subject to the Bank's rights under the Loan Documents (including the Loan Forbearance Agreement and its letter dated August 7, 2007), but only upon the condition, among others, that in addition to all existing rights of Bank in the Collateral Grantor shall grant to Bank a security interest in all of Borrower's Intellectual Property Collateral.

D. Borrower has agreed to provide to Bank a security interest in Borrower's Intellectual Property 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 and all other agreements now existing or hereafter arising between Grantor and Bank, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To further secure its obligations under the Loan Agreement and under any other agreement now existing or hereafter arising between Bank and Grantor, Grantor irrevocably grants and pledges to Bank a security interest with the power of sale as permitted by law in all of Grantor's right, title and interest in, to and under its Intellectual Property (including without limitation those copyrights, patents and trademarks listed on Exhibits 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 (collectively, "Intellectual

); SUBMITTER COMPANY: Faxed to Submitter's Fax Number

09/14/2007 FRI 11:19 FAX 9193143110 Square 1 Bank BQ

005/009

Property Collateral"). The definition of Collateral under the Loan Agreement is hereby amended to include Intellectual Property Collateral.

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.

Grantor represents and warrants that Exhibits A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable and the Grantor is the true and sole owner of the same without any prior encumbrance, excepting only intellectual property licenses entered into in the ordinary course of business.

Exhibit B to the Loan Agreement is hereby amended as set forth in the attached Exhibit D as of the effective date.

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:  
491 Fairchild Drive  
Mountain View, CA 94043

NETWORK PHYSICS, INC.

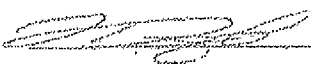
By: 

Title: CEO

BANK:

Address of Bank:  
406 Blackwell Street, Suite 240  
Durham, NC 27701  
Attn: Loan Documentation Department

SQUARE 1 BANK

By: 

Title: SVP

USPTO

9/14/2007 3:46:52 PM

PAGE 10/011

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SUBMITTER COMPANY:Faxed to Submitter's Fax Number

09/14/2007 FRI 11:21 FAX 9193143110 Square 1 Bank HQ

008/009

## EXHIBIT C

## TRADEMARKS

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
ITS NOT THE NETWORK	78796273	1-10-06
NETSENSORY 2000	78488875	9-23-04
NETSENSORY DIRECTOR	78488870	9-23-04
NETSENSORY OS	78488866	9-23-04
NETSENSORY ENTERPRISE ARCHITECTURE	78488860	9-23-04
NETWORK SUPERFLUID	76063681	5-31-00
NETWORK PHYSICS	2832241	8-1-00



); SUBMITTER COMPANY: Faxed to Submitter's Fax Number

09/14/2007 FRI 11:21 FAX 9193143110 Square 1 Bank HQ

009/009

EXHIBIT D

Amended Exhibit B to the Loan Agreement

DEBTOR NETWORK PHYSICS, INC.

SECURED PARTY: SQUARE 1 BANK

COLLATERAL DESCRIPTION ATTACHMENT TO LOAN AND SECURITY AGREEMENT

All personal property of Borrower (herein referred to as "Borrower" or "Debtor") whether presently existing or hereafter created or acquired, and wherever located, including but not limited to:

(a) all accounts (including health-care-insurance receivables), chattel paper (including tangible and electronic chattel paper), deposit accounts, documents (including negotiable documents), equipment (including all accessories and additions thereto), financial assets, general intangibles (including patents, trademarks, copyrights, goodwill, payment intangibles and software), goods (including fixtures), instruments (including promissory notes), inventory (including all goods held for sale or lease or to be furnished under a contract of service, and including returns and repossessions), investment property (including securities and securities entitlements), letter of credit rights, money, and all of Debtor's books and records with respect to any of the foregoing, and the computers and equipment containing said books and records;

(b) any and all cash proceeds and/or non-cash proceeds of any of the foregoing, including without limitation, insurance proceeds, and all supporting obligations and the security therefor or for any right to payment. All terms above have the meanings given to them in the California Uniform Commercial Code, as amended or supplemented from time to time, including revised Division 9 of the Uniform Code-Secured Transactions.

The Collateral shall include any copyrights, patents, trademarks, service marks and applications therefore, now owned or hereafter acquired, or any claims for damages by way of any past, present and future infringement of any of the foregoing (collectively, the "Intellectual Property") all accounts and general intangibles that consist of rights to payment and proceeds from the sale, licensing or disposition of all or any part, or rights in, the foregoing (the "Rights to Payment"). If a judicial authority (including a U.S. Bankruptcy Court) holds that Bank does not have a perfected security interest in the underlying Intellectual Property, the Collateral shall automatically, and effective as of November 29, 2006, include the Intellectual property to the extent necessary to permit perfection of Bank's security interest in the Rights to Payment.

Handwritten initials in a circle.