

2/23/09

FEB 23 2009

02-24-2009

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



103549640

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

1. Name of conveying party(ies):

Mandisa, Inc.

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

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: East West Bank
 Internal
 Address: Attn: Loan Service
 Street Address: 9300 Flair Drive, 6th Floor
 City: El Monte
 State: CA
 Country: USA Zip: 91731

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship CA
- 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)

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

Execution Date(s) 1/15/2009

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

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

A. Trademark Application No.(s)
Serial #76318042

B. Trademark Registration No.(s)
Registration #2665954

Additional sheet(s) attached? Yes No

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

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

Name: Davida Wright
 Internal Address: Loan Documentation/ Loan #2003093
 Street Address: 9300 Flair Drive, 6th Floor
 City: El Monte
 State: CA Zip: 91731
 Phone Number: (626) 371-8668
 Fax Number: (626) 927-2090
 Email Address: davida.wright@eastwestbank.com

6. Total number of applications and registrations involved:

1

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 40.00

- 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 02/23/2009 11/30/11
 b. Deposit Account Number 00000052 76318042
 Authorized User Name _____

9. Signature:

2/12/2009

Signature

Date

Davida Wright

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: **8**

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

COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$2,500,000.00	09-15-2006	09-15-2007	2003093		FR	B206	LR
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item Any item above containing "****" has been omitted due to text length limitations							

Grantor Mandisa Inc
1820 S Milliken Ave
Ontario CA 91761

Lender East West Bank
407 W Valley Blvd
Alhambra CA 91803

THIS COMMERCIAL SECURITY AGREEMENT dated September 15, 2006, is made and executed between Mandisa, Inc (Grantor) and East West Bank (Lender)

GRANT OF SECURITY INTEREST For valuable consideration Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law

COLLATERAL DESCRIPTION The word "Collateral" as used in this Agreement means the following described property whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement

All Inventory, Chattel Paper, Accounts, Deposit Accounts, Equipment and General Intangibles

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located

- (A) All accessions attachments accessories tools parts, supplies replacements of and additions to any of the collateral described herein, whether added now or later
- (B) All products and produce of any of the property described in this Collateral section
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale lease, consignment or other disposition of any of the property described in this Collateral section
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing photograph microfilm microfiche or electronic media, together with all of Grantor's right, title and interest in and to all computer software required to utilize create maintain and process any such records or data on electronic media

CROSS-COLLATERALIZATION In addition to the Note, this Agreement secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL With respect to the Collateral, Grantor represents and promises to Lender that

Perfection of Security Interest Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender This is a continuing Security Agreement and will continue in effect even though all or any part of the indebtedness is paid in full and even though for a period of time Grantor may not be indebted to Lender

Notices to Lender Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name, (2) change in Grantor's assumed business name(s) (3) change in the management of the Corporation Grantor (4) change in the authorized signers(s), (5) change in Grantor's principal office address, (6) change in Grantor's state of organization, (7) conversion of Grantor to a new or different type of business entity, or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender No change in Grantor's name or state of organization will take effect until after Lender has received notice

No Violation The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its certificate or articles of incorporation and bylaws do not prohibit any term or condition of this Agreement

Enforceability of Collateral To the extent the Collateral consists of accounts, chattel paper, or general intangibles as defined by the Uniform Commercial Code the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral At the time any account becomes subject to a security interest in favor of Lender, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor for merchandise held subject to delivery instructions or previously shipped or delivered pursuant to a contract of sale, or for services previously performed by Grantor with or for the account debtor So long as this Agreement remains in effect, Grantor shall not, without Lender's prior written consent compromise, settle, adjust, or extend payment under or with regard to any such Accounts There shall be no setoffs or counterclaims against any of the Collateral and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing

Location of the Collateral Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts or general intangibles, the records concerning the Collateral) at Grantor's address shown above or at such other locations as are acceptable to Lender Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the

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**COMMERCIAL SECURITY AGREEMENT
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following (1) all real property Grantor owns or is purchasing, (2) all real property Grantor is renting or leasing (3) all storage facilities Grantor owns, rents, leases, or uses and (4) all other properties where Collateral is or may be located

Removal of the Collateral Except in the ordinary course of Grantor's business including the sales of inventory, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of California, without Lender's prior written consent Grantor shall, whenever requested advise Lender of the exact location of the Collateral

Transactions Involving Collateral Except for inventory sold or accounts collected in the ordinary course of Grantor's business or as otherwise provided for in this Agreement Grantor shall not sell, offer to sell or otherwise transfer or dispose of the Collateral While Grantor is not in default under this Agreement, Grantor may sell inventory, but only in the ordinary course of its business and only to buyers who qualify as a buyer in the ordinary course of business A sale in the ordinary course of Grantor's business does not include a transfer in partial or total satisfaction of a debt or any bulk sale Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender This includes security interests even if junior in right to the security interests granted under this Agreement Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds, provided however, this requirement shall not constitute consent by Lender to any sale or other disposition Upon receipt Grantor shall immediately deliver any such proceeds to Lender

Title Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons

Repairs and Maintenance Grantor agrees to keep and maintain and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect Grantor further agrees to pay when due all claims for work done on or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral

Inspection of Collateral Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located

Taxes, Assessments and Liens Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest costs attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized

Compliance with Governmental Requirements Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity Grantor may contest in good faith any such law ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized

Hazardous Substances Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral used in violation of any Environmental Laws or for the generation, storage, manufacture, storage, transportation, treatment, disposal release or threatened release of any Hazardous Substance The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws and (2) agrees to indemnify and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement This obligation to indemnify shall survive the payment of the indebtedness and the satisfaction of this Agreement

Maintenance of Casualty Insurance Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act omission or default of Grantor or any other person In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral

Application of Insurance Proceeds Grantor shall promptly notify Lender of any loss or damage to the Collateral if the estimated cost of repair or replacement exceeds \$25,000.00, whether or not such casualty or loss is covered by insurance Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty All proceeds of any insurance on the Collateral, including accrued proceeds thereon shall be held by Lender as part of the Collateral If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness

Insurance Reserves Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall

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COMMERCIAL SECURITY AGREEMENT (Continued)

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be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer, (2) the risks insured, (3) the amount of the policy, (4) the property insured, (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value, and (6) the expiration date of the policy. In addition Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Financing Statements Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement. If Grantor changes Grantor's name or address or the name or address of any person granting a security interest under this Agreement changes, Grantor will promptly notify the Lender of such change.

GRANTOR'S RIGHT TO POSSESSION AND TO COLLECT ACCOUNTS Until default and except as otherwise provided below with respect to accounts, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. Until otherwise notified by Lender, Grantor may collect any of the Collateral consisting of accounts. At any time and even though no Event of Default exists, Lender may exercise its rights to collect the accounts and to notify account debtors to make payments directly to Lender for application to the Indebtedness. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

LENDER'S EXPENDITURES If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option will (A) be payable on demand, (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy or (2) the remaining term of the Note, or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

DEFAULT Each of the following shall constitute an Event of Default under this Agreement:

Payment Default Grantor fails to make any payment when due under the Indebtedness.

Other Defaults Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

False Statements Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings Commencement of foreclosure or forfeiture proceedings whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Grantor's accounts including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of or liability under, any Guaranty of the Indebtedness.

Adverse Change A material adverse change occurs in Grantor's financial condition or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Cure Provisions If any default other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured if Grantor after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days, or (2) if the cure requires more than fifteen (15)

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COMMERCIAL SECURITY AGREEMENT (Continued)

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days immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical

RIGHTS AND REMEDIES ON DEFAULT If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the California Uniform Commercial Code. In addition and without limitation Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

Assemble Collateral Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the Rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Collect Revenues Apply Accounts Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor, change any address to which mail and payments are to be sent, and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

MISCELLANEOUS PROVISIONS

The following miscellaneous provisions are a part of this Agreement:

Amendments This Agreement, together with any Related Documents constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys Fees, Expenses Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

Preference Payments Any monies Lender pays because of an asserted preference claim in Grantor's bankruptcy will become a part of the Indebtedness and, at Lender's option, shall be payable by Grantor as provided in this Agreement.

No Waiver by Lender Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future

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COMMERCIAL SECURITY AGREEMENT (Continued)

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transactions Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender

Notices Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or if mailed when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement Any party may change its address for notices under this Agreement by giving formal written notice to the other parties specifying that the purpose of the notice is to change the party's address For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors

Power of Attorney Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect amend or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral

Waiver of Co-Obligor's Rights If more than one person is obligated for the Indebtedness, Grantor irrevocably waives, disclaims and relinquishes all claims against such other person which Grantor has or would otherwise have by virtue of payment of the Indebtedness or any part thereof, specifically including but not limited to all rights of indemnity, contribution or exoneration

Severability If a court of competent jurisdiction finds any provision of this Agreement to be illegal invalid or unenforceable as to any circumstance, that finding shall not make the offending provision illegal invalid, or unenforceable as to any other circumstance If feasible, the offending provision shall be considered modified so that it becomes legal valid and enforceable If the offending provision cannot be so modified, it shall be considered deleted from this Agreement Unless otherwise required by law, the illegality, invalidity or unenforceability of any provision of this Agreement shall not affect the legality validity or enforceability of any other provision of this Agreement

Successors and Assigns Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness

Survival of Representations and Warranties All representations warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full

Time is of the Essence Time is of the essence in the performance of this Agreement

Waive Jury To the extent permitted by applicable law all parties to this Agreement hereby waive the right to any jury trial in any action, proceeding or counterclaim brought by any party against any other party

DEFINITIONS The following capitalized words and terms shall have the following meanings when used in this Agreement Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America Words and terms used in the singular shall include the plural and the plural shall include the singular, as the context may require Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code

Agreement The word "Agreement" means this Commercial Security Agreement as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time

Borrower The word "Borrower" means Mandisa, Inc and includes all co-signers and co-makers signing the Note and all their successors and assigns

Collateral The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement

Default The word "Default" means the Default set forth in this Agreement in the section titled "Default"

Environmental Laws The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986 Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act 49 U.S.C. Section 1801, et seq the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq, Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq, or other applicable state or federal laws, rules, or regulations adopted pursuant thereto

Event of Default The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement

Grantor The word "Grantor" means Mandisa, Inc

Guarantor The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness

Guaranty The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note

Hazardous Substances The words "Hazardous Substances" mean materials that, because of their quantity concentration or physical chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used treated stored disposed of generated, manufactured transported or otherwise handled The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws The term "Hazardous Substances" also includes without limitation petroleum and petroleum by products or any fraction thereof and asbestos

Indebtedness The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents Specifically, without limitation Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Agreement

Lender The word "Lender" means East West Bank, its successors and assigns

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**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No 2003093

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Note The word "Note" means the Note executed by Mandisa, Inc in the principal amount of \$2,500,000.00 dated September 15, 2006, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement

Property The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement

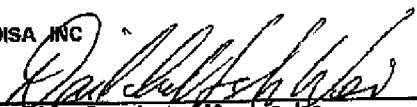
Related Documents The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents whether now or hereafter existing, executed in connection with the Indebtedness

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS THIS AGREEMENT IS DATED SEPTEMBER 15 2006

GRANTOR

MANDISA, INC

By


David Loo, President of Mandisa, Inc

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