

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement dated as of May 10, 2006 (as defined in the Loan Agreement) is between SILICON VALLEY BANK ("Bank") and VALERE POWER, INC., a Delaware corporation ("Grantor").

RECITALS

A. Bank will make advances to Grantor ("Loans") as described in the Amended and Restated Loan and Security Agreement dated of even date herewith (as may be amended from time to time, the "Loan Agreement"), but only if Grantor grants Bank a security interest in its Copyrights, Trademarks, Patents, and Mask Works and other intellectual property (the "Intellectual Property Collateral").

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

AGREEMENT

Grantor grants Bank a security interest in all of its right, title and interest in its Intellectual Property Collateral (such as the Copyrights, Patents, Trademarks and Mask Works listed on Schedules A, B, C and D), and all proceeds (such as license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements rights throughout the world and all reissues, divisions, continuations, renewals, extensions and continuations-in-part.

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

BANK:

GRANTOR:

SILICON VALLEY BANK

VALERE POWER, INC.

a Delaware corporation

Brak Brown
(Signature)

(Signature)

Deal Team Leader
(Title)

(Title)

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BANK:

SILICON VALLEY BANK

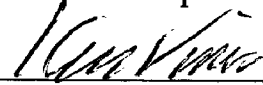
(Signature)

(Title)

GRANTOR:

VALERE POWER, INC.

a Delaware corporation



(Signature)



(Title)

EXHIBIT A

Copyrights

<u>Description</u>	Registration/Application <u>Number</u>	Registration/Application <u>Date</u>
None		

EXHIBIT B

Patents

File Number	Patent	Status	Inventors
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	PWM Control Signal Generation Method and Apparatus	US Patent 6,879,199 awarded March 9, 2005	
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	DC/DC ZVS Full Bridge Converter Power Supply Method & Apparatus	US Patent 6,483,724 awarded November 19, 2004	
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	Interleaved Converter Power Factor Correction Method and Apparatus	US Patent 6,690,589 awarded January 3, 2004	
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	Positive Latching Combination and Insertion/Removal Tool Method and Apparatus	US Patent 6,680,851 awarded October 2, 2003	
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	Multiuse Telecommunications Power System	Serial #11/019,692; status pending	
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EXHIBIT C

Trademarks

<u>Description</u>	<u>Registration/Application Number</u>	<u>Registration/Application Date</u>
Valere	application #78198687 filed on December 30, 2002	Certificate of Registration received July 12, 2005

EXHIBIT D

Mask Works

<u>Description</u>	Registration/Application <u>Number</u>	Registration/Application <u>Date</u>
None		