

08/04/2011



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

103630287

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

08/04/11

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):

HI5 Networks, Inc.

- Individual(s)
- General Partnership
- Corporation- State: California
- 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) June 30, 2010

- 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: Silicon Valley Bank
 Internal
 Address: Attn: Mike Meier
 Street Address: 3003 Tasman Dr. HG 150
 City: Santa Clara
 State: California
 Country: US Zip: 95054

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship California
- 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)
1) 85/291,261; 2) 85/146,807; 3) 85/248,944

B. Trademark Registration No.(s)

Additional sheet(s) attached? Yes No

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

1) HI5 (stylized); 2) SOCIOPATH; 3) SOCIOPAY

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

Name: Silicon Valley Law Group

Internal Address: Attn: David V. Duperrault

Street Address: 25 Metro Drive, STE 600

City: San Jose

State: California Zip: 95110

Phone Number: 408-573-5700

Fax Number: 408-573-5701

Email Address: dvd@svlg.com

6. Total number of applications and registrations involved:

3

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 90.00

- 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 00000019 85291261

Authorized User Name _____

08/04/2011 RINGUYEN1
01 FC:8321
02 FC:8522

40.00 OP
50.00 OP

8-2-11

Date

9. Signature:

Signature

David V. Duperrault, attorneys for Silicon Valley Bank

Name of Person Signing

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

11

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

TRADEMARK
REEL: 004603 FRAME: 0162

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "IP Agreement") is made as of June 30, 2010 by and between HIS NETWORKS, INC., a California corporation ("Grantor" or "Borrower"), and SILICON VALLEY BANK, a California banking corporation ("Bank").

RECITAL

Bank will make credit extensions to Grantor as described in the Loan and Security Agreement between them (as amended, restated, or otherwise modified, the "Loan Agreement"), but only if Grantor grants Bank a security interest in its Copyrights, Trademarks, Patents, and Mask Works. Defined terms used but not defined herein shall have the same meanings as in the Loan Agreement.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, Grantor hereby represents, warrants, covenants and agrees as follows:

1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of Grantor's present or future indebtedness, obligations and liabilities to Bank, including without limitation its Obligations under the Loan Agreement, Grantor hereby grants a security interest in all of Grantor's right, title and interest in, to and under all of its intellectual property (all of which shall collectively be called the "Intellectual Property Collateral"), including, without limitation, the following:

1.1. Any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including without limitation those set forth on Exhibit A attached hereto (collectively, the "Copyrights");

1.2. Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

1.3. Any and all design rights that may be available to Grantor now or hereafter existing, created, acquired or held;

1.4. All patents, patent applications and like protections including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "Patents");

1.5. Any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Grantor connected with and symbolized by such trademarks, including without limitation those set forth on Exhibit C attached hereto (collectively, the "Trademarks");

1.6. All mask works or similar rights available for the protection of semiconductor chips, now owned or hereafter acquired, including, without limitation those set forth on Exhibit D attached hereto (collectively, the "Mask Works");

1.7. Any and all claims for damages by way of past, present and future infringements of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

1.8. All licenses or other rights to use any of the Copyrights, Patents, Trademarks, or Mask Works and all license fees and royalties arising from such use to the extent permitted by such license or rights;

1.9. All amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks, Patents, or Mask Works; and

1.10. All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

2. Authorization and Request. Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this IP Agreement.

3. Covenants and Warranties. Grantor represents, warrants, covenants and agrees as follows:

3.1. Grantor is now the sole owner of the Intellectual Property Collateral, except for non-exclusive licenses granted by Grantor in the ordinary course of business;

3.2. Performance of this IP Agreement does not conflict with or result in a breach of any other agreement covering the Intellectual Property Collateral to which Grantor is bound, except to the extent that such other intellectual property agreements prohibit the assignment of the rights thereunder to a third party without the licensor's or other party's consent;

3.3. During the term of this IP Agreement, Grantor will not transfer or otherwise encumber any interest in the Intellectual Property Collateral, except for Permitted Liens;

3.4. Except as disclosed on the Perfection Certificate with respect to Nine Networks, Ltd. and Balthaser Online, Inc., each of the Patents is valid and enforceable, and no part of the Intellectual Property Collateral has been judged invalid or unenforceable, in whole or in part, and, to Grantor's knowledge, no claim has been made that any part of the Intellectual Property Collateral violates the rights of any third party;

3.5. Grantor shall promptly advise Bank of any material adverse change in the composition of the Intellectual Property Collateral, including but not limited to any subsequent ownership right of the Grantor in or to any Trademark, Patent, Copyright, or Mask Work specified in this IP Agreement;

3.6. Grantor shall (i) use commercially reasonable efforts to protect, defend and maintain the validity and enforceability of the Trademarks, Patents, Copyrights, and Mask Works, (ii) use commercially reasonable efforts to detect infringements of the Trademarks, Patents, Copyrights, and Mask Works and promptly advise Bank in writing of material infringements detected and (iii) not allow any Trademarks, Patents, Copyrights, or Mask Works to be abandoned, forfeited or dedicated to the public without the written consent of Bank, which shall not be unreasonably withheld, unless Grantor determines that reasonable business practices suggest that abandonment is appropriate;

3.7. Grantor shall not register any Copyrights or Mask Works with the United States Copyright Office unless it: (i) has given at least fifteen (15) days' prior notice to Bank of its intent to register such Copyrights or Mask Works and has provided Bank with a copy of the application it intends to file with the United States Copyright Office (excluding exhibits thereto); (ii) executes a security agreement or such other documents as Bank may reasonably request in order to maintain the perfection and priority of Bank's security interest in the Copyrights proposed to be registered with the United States Copyright Office; and (iii) records such security documents with the United States Copyright Office contemporaneously with filing the Copyright application(s) with the United States Copyright Office. Grantor shall promptly provide to Bank a copy of the Copyright application(s) filed with the United States Copyright Office, together with evidence of the recording of the security documents necessary for Bank to maintain the perfection and priority of its security interest in such Copyrights or Mask Works. Grantor shall provide written notice to Bank of any application filed by

Grantor in the United States Patent Trademark Office for a patent or to register a trademark or service mark within 30 days of any such filing;

3.8. This IP Agreement creates, and in the case of after acquired Intellectual Property Collateral, this IP Agreement will create at the time Grantor first has rights in such after acquired Intellectual Property Collateral, in favor of Bank a valid and perfected first priority security interest in the Intellectual Property Collateral in the United States securing the payment and performance of the obligations evidenced by the Loan Agreement upon making the filings referred to in clause (i) below;

3.9. To its knowledge (except for, and upon, the filing with the United States Patent and Trademark office with respect to the Patents and Trademarks and the Register of Copyrights with respect to the Copyrights and Mask Works necessary to perfect the security interests created hereunder, and except as has been already made or obtained) no authorization, approval or other action by, and no notice to or filing with, any U.S. governmental authority of U.S. regulatory body is required either (i) for the grant by Grantor of the security interest granted hereby or for the execution, delivery or performance of this IP Agreement by Grantor in the U.S. or (ii) for the perfection in the United States or the exercise by Bank of its rights and remedies thereunder;

3.10. All information heretofore, herein or hereafter supplied to Bank by or on behalf of Grantor with respect to the Intellectual Property Collateral is accurate and complete in all material respects;

3.11. Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Bank's prior written consent, which consent shall not be unreasonably withheld. Grantor shall not permit the inclusion in any material contract to which it becomes a party of any provisions that could or might in any way prevent the creation of a security interest in Grantor's rights and interest in any property included within the definition of the Intellectual property Collateral acquired under such contracts, except that certain contracts may contain anti-assignment provisions that could in effect prohibit the creation of a security interest in such contracts; and

3.12. Upon any executive officer of Grantor obtaining actual knowledge thereof, Grantor will promptly notify Bank in writing of any event that materially adversely affects the value of any Intellectual Property Collateral, the ability of Grantor to dispose of any Intellectual Property Collateral of the rights and remedies of Bank in relation thereto, including the levy of any legal process against any of the Intellectual Property Collateral.

4. Bank's Rights. Bank shall have the right, but not the obligation, to take, at Grantor's sole expense, any actions that Grantor is required to take under this IP Agreement but which Grantor fails to take. Grantor shall reimburse and indemnify Bank for all costs and reasonable expenses incurred in the exercise of its rights under this Section 4.

5. Inspection Rights. Grantor hereby grants to Bank and its employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable notice to Grantor, and any of Grantor's plants and facilities that manufacture, install or store products (or that have done so during the prior six-month period) that are sold utilizing any of the Intellectual Property Collateral, and to inspect the products and quality control records relating thereto upon reasonable written notice to Grantor and as often as may be reasonably requested, but not more than one (1) in every six (6) months so long as no Event of Default has occurred and is continuing; provided, however, nothing herein shall entitle Bank access to Grantor's trade secrets and other proprietary information.

6. Further Assurances; Attorney in Fact.

6.1. On a continuing basis, Grantor will, subject to any prior licenses, encumbrances and restrictions and prospective licenses, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademarks Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or

advisable, or as requested by Bank, to perfect Bank's security interest in all Copyrights, Patents, Trademarks, and Mask Works and otherwise to carry out the intent and purposes of this IP Agreement, or for assuring and confirming to Bank the grant or perfection of a security interest in all Intellectual Property Collateral.

6.2. Grantor hereby irrevocably appoints Bank as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, Bank or otherwise, from time to time in Bank's discretion, upon Grantor's failure or inability to do so, to take any action and to execute any instrument which Bank may deem necessary or advisable to accomplish the purposes of this IP Agreement, including:

(a) To modify, in its sole discretion (absent manifest error), this IP Agreement without first obtaining Grantor's approval of or signature to such modification by amending Exhibit A, Exhibit B, Exhibit C, and Exhibit D hereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents, Trademarks or Mask Works acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents, Trademarks, or Mask Works in which Grantor no longer has or claims any right, title or interest; and

(b) To file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Intellectual Property Collateral without the signature of Grantor where permitted by law.

7. Events of Default. The occurrence of any of the following shall constitute an Event of Default under this IP Agreement:

7.1. An Event of Default occurs under the Loan Agreement; or

7.2. Grantor breaches any warranty or agreement made by Grantor in this IP Agreement, provided that with respect to an Event of Default that, in Bank's reasonable discretion, can be cured (other than a breach or default under Section 1 hereof, as to which there shall be no cure period or right to cure), Grantor shall have ten (10) days after the occurrence thereof in which to cure such Event of Default.

8. Remedies. Upon the occurrence and continuance of an Event of Default, and after any applicable cure period, Bank shall have the right to exercise all the remedies of a secured party under the California Uniform Commercial Code, including without limitation the right to require Grantor to assemble the Intellectual Property Collateral and any tangible property in which Bank has a security interest and to make it available to Bank at a place designated by Bank. Bank shall have a nonexclusive, royalty free license to use the Copyrights, Patents, Trademarks, and Mask Works to the extent reasonably necessary to permit Bank to exercise its rights and remedies upon the occurrence of an Event of Default. Grantor will pay any expenses (including reasonable attorney's fees) incurred by Bank in connection with the exercise of any of Bank's rights hereunder, including without limitation any expense incurred in disposing of the Intellectual Property Collateral. All of Bank's rights and remedies with respect to the Intellectual Property Collateral shall be cumulative.

9. Indemnity. Grantor agrees to defend, indemnify and hold harmless Bank and its officers, employees, and agents (collectively, the "Indemnitees") against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this IP Agreement (collectively, "Claims"), and (b) all losses or expenses in any way suffered, incurred, or paid by Bank as a result of or in any way arising out of, following or consequential to transactions between Bank and Grantor, whether under this IP Agreement or otherwise (including without limitation, reasonable attorneys fees and reasonable expenses), except for Claims, losses and expenses arising from or out of such Indemnitee's gross negligence or willful misconduct.

10. Reassignment. At such time as Grantor shall completely satisfy all of the obligations secured hereunder (other than inchoate indemnity obligations), Bank shall execute and deliver to Grantor all deed, assignments, and other instruments as may be necessary or proper to reinvest in Grantor full title to the property assigned hereunder, subject to any disposition thereof which may have been made by Bank pursuant hereto.

11. Course of Dealing. No course of dealing, any failure to exercise, or any delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

12. Attorneys' Fees. If any action relating to this IP Agreement is brought by either party hereto against the other party, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements.

13. Amendments. This IP Agreement may be amended only by a written instrument signed by both parties hereto.

14. Counterparts. This IP Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

15. Law and Jurisdiction. This IP Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard for choice of law provisions. Grantor and Bank consent to the nonexclusive jurisdiction of any state or federal court located in California.

16. Confidentiality. In handling any confidential information, Bank comply with the terms of Section 12.9 of the Loan Agreement.

[REMAINDER OF PAGE LEFT BLANK]

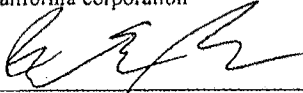
IN WITNESS WHEREOF, the parties hereto have executed this IP Agreement as of the day and year first written above.

Address of Grantor:

55 2nd Street, Suite 400
San Francisco, CA 94105
Attn: Jeff Stephens
Phone: 415-404-6094
Fax: 415-704-3482
Email: jstephans@hi5.com

GRANTOR:

HI5 NETWORKS, INC.
a California corporation

By: 

Name: WE Gossman

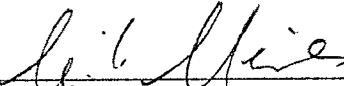
Title: CEO

Address of Bank:

555 Mission Street, Suite 900
San Francisco, CA 94105
Attn: Mike Meier
Phone: 415-764-3104
Fax: 415-615-0076
Email: mmeier@svb.com

BANK:

SILICON VALLEY BANK

By: 

Name: Mike Meier

Title: Relationship Manager

Exhibit "A" attached to that certain Intellectual Property Security Agreement dated June 30, 2010.

EXHIBIT "A"

COPYRIGHTS

SCHEDULE A - ISSUED COPYRIGHTS

COPYRIGHT DESCRIPTION	REGISTRATION NUMBER	DATE OF ISSUANCE

SCHEDULE B - PENDING COPYRIGHT APPLICATIONS

COPYRIGHT DESCRIPTION	APPLICATION NUMBER	DATE OF FILING	CREATION	FIRST DATE OF PUBLIC DISTRIBUTION

Exhibit "B" attached to that certain Intellectual Property Security Agreement dated June 30, 2010.

EXHIBIT "B"

PATENTS

<u>PATENT DESCRIPTION</u>	<u>COUNTRY</u>	<u>APPL. NO.</u>	<u>FILING DATE</u>	<u>STATUS</u>
Value-Generating Alternatives to Using Virtual Currency	USA	13/156,164		
Multi-Media Application with Predictive Real-Time Content Delivery	USA	61/382,843		

Exhibit "C" attached to that certain Intellectual Property Security Agreement dated June 30, 2010.

EXHIBIT "C"

TRADEMARKS

<u>TRADEMARK DESCRIPTION</u>	<u>COUNTRY</u>	<u>SERIAL NO.</u>	<u>REG. NO</u>	<u>STATUS</u>
HIS (Stylized)	US	85/291,261		
SOCIOPATH	US	85/146,807		
SOCIOPAY	US	85/248,944		

Exhibit "D" attached to that certain Intellectual Property Security Agreement dated June 30, 2010.

EXHIBIT "D"

MASK WORKS

<u>MASK WORK DESCRIPTION</u>	<u>COUNTRY</u>	<u>SERIAL NO.</u>	<u>REG. NO</u>	<u>STATUS</u>
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