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

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Coriolis Networks, Inc.

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 12/28/00

2. Name and address of receiving party(ies)

Name: Venture Lending & Leasing III, Inc., as Agent

Internal Address:

Street Address: 2010 North First Street

City: San Jose State: CA Zip: 95131

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or patent number(s): 3

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

09/536416 60/245387 60/245262

B. Patent No.(s)

Additional numbers attached? Yes No

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

Name: Russell D. Pollock, Esq.

Internal Address:

Street Address: Greene Radovsky et al

Four Embarcadero Center, Suite 4000

City: San Francisco State: CA Zip: 94111

6. Total number of applications and patents involved: 3

7. Total fee (37 CFR 3.41).....\$ 120.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Russell D. Pollock

Name of Person Signing

Signature

5/17/01

Date

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

Mail documents to be recorded with required cover sheet information to: Commissioner of Patents & Trademarks, Box Assignments Washington, D.C. 20231

PATENT SECURITY AGREEMENT

This Agreement is made as of December 28, 2000, between Coriolis Networks, Inc., a Delaware corporation, having a mailing address at 330 Codman Hill Road, Boxborough, MA 01719 ("Borrower"), and Venture Lending & Leasing III, Inc., in its capacity as collateral agent for the Lenders, as hereinafter defined ("Secured Party"). Secured Party's address is 2010 North First Street, Suite 310, San Jose, California 95131.

RECITALS

- A. Borrower owns the Patents and Patent applications listed on Schedule 1 hereto, and is a party to the Patent Licenses listed on Schedule 1 hereto;
- B. Borrower has entered into that certain Loan Agreement of even date herewith (as the same may be amended from time to time, the "Loan Agreement") with the lenders signatory thereto (the "Lenders") and Secured Party both as a Lender and as the agent for the Lenders;
- C. Pursuant to the terms of the Security Agreement (as defined in the Loan Agreement), Borrower has granted to Secured Party, as the agent for the Lenders, a security interest in certain personal property assets of Borrower, including all right, title and interest of Borrower in, to and under all of Borrower's Patents (as defined in the Loan Agreement), all of Borrower's Patent applications and all of Borrower's Patent Licenses (as defined in the Loan Agreement), whether presently existing or hereafter arising or acquired, and all products and proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof for the full term of the Patents, to secure the payment of the Obligations (as defined in the Loan Agreement);
- D. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Loan Agreement.

NOW, THEREFORE, in consideration of the premises, Borrower hereby agrees with Secured Party as follows:

1. To secure the complete and timely satisfaction of all Obligations, Borrower hereby grants, and conveys to Secured Party a continuing security interest in and lien on all of Borrower's entire right, title and interest in and to the Patents, Patent applications and Patent Licenses listed on Schedule 1 hereto (as the same may be amended pursuant hereto from time to time), including, without limitation, all proceeds thereof (such as, by way of example, license royalties and proceeds of infringements, all rights corresponding thereto throughout the world and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof (collectively called the "Patents")).
2. Borrower covenants and warrants that:

(a) The Patents are subsisting and have not to the Borrower's knowledge been adjudged invalid or unenforceable, in whole or in part;

(b) To the best of Borrower's knowledge, each of the Patents is valid and enforceable and Borrower has notified Secured Party in writing of all prior art (including public uses and sales) of which it is aware;

(c) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, shop rights and covenants by Borrower not to sue third persons, except (i) Permitted Liens; and (ii) any license disclosed in Schedule 1; and

(d) Borrower has the unqualified right to enter into this Agreement and perform its terms.

3. Borrower agrees that, until all of the Obligations shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) that is inconsistent with Borrower's obligations under this Agreement, without Secured Party's prior written consent; provided, that so long as no Default or Event of Default shall have occurred and be continuing, Borrower may grant licenses to third parties to use the Patents in the ordinary course of business on arm's length and customary business terms.

4. IF, BEFORE THE OBLIGATIONS SHALL HAVE BEEN SATISFIED IN FULL, BORROWER SHALL BECOME ENTITLED TO THE BENEFIT OF ANY PATENT APPLICATION OR PATENT FOR ANY REISSUE, DIVISION, CONTINUATION, RENEWAL, EXTENSION, OR CONTINUATION-IN-PART OF ANY PATENT OR ANY IMPROVEMENT ON ANY PATENT, THE PROVISIONS OF PARAGRAPH 1 SHALL AUTOMATICALLY APPLY THERETO AND BORROWER SHALL GIVE TO SECURED PARTY PROMPT NOTICE THEREOF IN WRITING.

5. Borrower authorizes Secured Party unilaterally to modify this Agreement by amending Schedule 1 to include any future Patents and Patent applications which are Patents under paragraph 1 or 4 hereof.

6. If any Event of Default shall have occurred and be continuing and the Obligations have been accelerated in accordance with the Loan Agreement, Secured Party shall have, in addition to all other rights and remedies given it by this Agreement or any other Loan Document, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents may be located and, without limiting the generality of the foregoing, Secured Party may immediately, without demand of performance and without other notice (except as set forth below) or demand whatsoever to Borrower, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, the whole or from time to time any part of the Patents, or any interest which the Borrower may have therein, and after deducting from the proceeds of sale or other disposition of the Patents all expenses (including reasonable expenses

for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to Borrower. Notice of any sale or other disposition of the Patents shall be given to Borrower at least ten (10) days before the time of any intended public or private sale or other disposition of the Patents is to be made, which Borrower hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition Secured Party may, to the extent permissible under applicable law, purchase the whole or any part of the Patents sold, free from any right of redemption on the part of Borrower, which right is hereby waived and released.

7. Borrower hereby authorizes and empowers Secured Party to make, constitute and appoint any officer or agent of Secured Party, as Secured Party may select in its exclusive discretion, as Borrower's true and lawful attorney-in-fact, with the power, after and during the continuance of an Event of Default, to endorse Borrower's name on all applications, documents, papers and instruments necessary for Secured Party to use the Patents, or to grant or issue any exclusive or nonexclusive license under the Patents to any third person, or necessary for Secured Party to assign, pledge, convey or otherwise transfer title in or dispose of the Patents to any third person as a part of Secured Party's realization on such collateral upon acceleration of the Obligations following an Event of Default. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney being coupled with an interest shall be irrevocable for the life of this Agreement.

8. At such time as Borrower shall completely satisfy all of the Obligations and the Commitments of the Lenders shall have been terminated, this Agreement shall terminate and Secured Party shall execute and deliver to Borrower all agreements, documents or other instruments as may be necessary or proper to terminate Secured Party's Liens herein, subject to any disposition thereof which may have been made by Secured Party pursuant hereto.

9. Subject to the limitations set forth in the Loan Agreement, any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Secured Party in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Patents, or in defending or prosecuting any actions or proceedings arising out of or related to the Patents, shall be borne and paid by Borrower on demand by Secured Party.

10. Borrower shall have the duty, through counsel reasonably acceptable to Secured Party, to prosecute diligently any Patent applications pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full and to preserve and maintain all rights in Patent applications and Patents, including, without limitation, the payment of all maintenance fees. Any expenses incurred in connection with such an application shall be borne by Borrower. The Borrower shall not abandon any right to file a Patent application, or any pending Patent application or Patent unless Borrower deems it to be in its best interest or commercially reasonable to do so.

11. Borrower shall have the right, with the consent of Secured Party, which shall not be unreasonably withheld, to bring suit in its own name, and to join Secured Party, if necessary, as a party to such suit so long as Secured Party is satisfied that such joinder will not subject it to any risk of liability, to enforce the Patents. Borrower shall promptly, upon demand, reimburse and indemnify Secured Party for all damages, costs and expenses, including reasonable attorneys' fees incurred by Secured Party in connection therewith, in accordance with the Loan Agreement.

12. No course of dealing between Borrower and Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of Secured Party, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. All of Secured Party's rights and remedies with respect to the Patents, whether established hereby or by the Loan Agreement or any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

14. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any clause or provision of this Agreement in any jurisdiction.

15. This Agreement is subject to modification only by a writing signed by both parties, except as provided in paragraph 5.

16. This Agreement shall be binding upon Borrower and Secured Party and their respective permitted successors and assigns, and shall inure to the benefit of Borrower, Secured Party and the respective permitted successors and assigns of Borrower and Secured Party.

17. In the event that any provision of this Agreement conflicts with any provision of the Security Agreement, such provision of the Security Agreement shall control.

18. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of California.

[Signature Page Follows]

WITNESS the execution hereof under seal as of the day and year first above written.

CORIOLIS NETWORKS, INC.

By: Robert Castle
Name: Robert Castle
Title: CEO

VENTURE LENDING & LEASING III, INC., as Agent

By: _____
Name: _____
Title: _____

State of Massachusetts
County of Middlesex

On December 28, 2000, before me, Linda Roberts

Robert Castle

(here insert name and title of the officer, e.g., Jane Smith, Notary Public), personally appeared Notary Public, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Linda L. Roberts


LINDA L. ROBERTS
Notary Public
My Commission Expires
June 14, 2007

WITNESS the execution hereof under seal as of the day and year first above written.

CORIOLIS NETWORKS, INC.

By: _____
Name: _____
Title: _____

VENTURE LENDING & LEASING III, INC., as
Agent

By: 
Name: **CALVADOR O. GUTIERREZ**
Title: **PRESIDENT**

State of _____)

County of _____)

On _____, 2000, before me, _____
(here insert name and title of the officer, e.g., Jane Smith, Notary Public), personally appeared
_____, personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

**SCHEDULE 1 TO
PATENT SECURITY AGREEMENT**

A. PATENTS AND PATENT APPLICATIONS:

<u>Application or Patent No.</u>	<u>Issue or Filing Date</u>	<u>Status</u>	<u>Title</u>
Application Serial Number 09/536,416*	Filed on March 28, 2000	Pending	TRANSPORT OF ISCOCHRONOUS AND BURSTY DATA ON A SONET RIGHT
Application Serial Number 60/245,387	Filed on November 2, 2000	Pending	SCALEABLE TRANSPORT OF TDM CHANNELS IN A SYNCHRONOUS FRAME
Application Serial Number 60/245,262	Filed on November 2, 2000	Pending	METHOD FOR DYNAMIC TRAFFIC MANAGEMENT ON A SHARED MEDIA

*An assignment of this patent application by the inventors to the Company was filed on July 12, 2000.

B. PATENT LICENSES:

<u>Corresponding Patent No.</u>	<u>Date License Granted</u>	<u>Licensee</u>	<u>Termination Date</u>
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NONE

C. OTHER

1. Pursuant to a certain Agreement of Transfer and Assumption dated June 2, 1999, the founders of the Company, Hakim Dhillia, Ibrahim Dhillia and Ramji Raghavan, transferred to the Company all of their right, title and interest to all intellectual property described in the Business Plan dated June 2, 1999 and the Technical White Paper dated June 2, 1999.

43251/0814
RDP/196233.3

RECORDED: 05/21/2001

**PATENT
REEL: 011827 FRAME: 0416**