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02-08-2005



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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): Cloudshield Technologies, Inc. Additional name(s) of conveying party(ies) attached? No

2. Name and address of receiving party(ies) Name: Venture Lending & Leasing IV, Inc. Internal Address: Street Address: 2010 North First Street City: San Jose State: CA Zip: 95131 Additional name(s) & address(es) attached? No

3. Nature of conveyance: [x] Security Agreement [ ] Change of Name [ ] Other Execution Date: 1/7/05

4. Application number(s) or patent number(s): If this document is being filed together with a new application, the execution date of the application is: A. Patent Application No.(s) 09/602,128; 09/602,129; 09/602,286; 09/858,309 B. Patent No.(s) Additional numbers attached? Yes

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 Maloney & Share LLP Four Embarcadero Center, Suite 4000 City: San Francisco State: CA Zip: 94111

6. Total number of applications and patents involved: 12 7. Total fee (37 CFR 3.41) \$480.00 [x] Enclosed [ ] Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature. Jeffrey T. Klugman Name of Person Signing Signature Date 1/24/05 Total number of pages including coversheet, attachments, and documents: 10

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

02/08/2005 ECDOPER 00000045 09602128 01 FC:8021 480.00 OP

PATENT REEL: 016226 FRAME: 0275

Recordation Cover Sheet  
For Cloudshield Technologies, Inc. Patents

Registration/Serial Number

09/858,323  
09/858,324  
09/858,308  
10/024,866  
6,611,119  
6,728,785  
6,737,763  
6,829,654

45596/0843  
1/21/05/MVR/279069.1

**PATENT**  
**REEL: 016226 FRAME: 0276**

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "Agreement") is made as of January 7, 2005, by and between CLOUDSHIELD TECHNOLOGIES, INC., a Delaware corporation ("Grantor"), and VENTURE LENDING & LEASING IV, INC., in its capacity as agent for itself and Comerica Bank under the Loan Agreement (hereinafter defined) ("Secured Party").

### RECITALS

A. Pursuant to a Loan and Security Agreement of even date herewith (the "Loan Agreement") between Grantor, as borrower, and Secured Party, as agent for itself and Comerica Bank as lenders ("Lenders"), Lenders have agreed to make certain advances of money and to extend certain financial accommodations to Grantor (the "Loans") in the amounts and manner set forth in the Loan Agreement. All capitalized terms used herein without definition shall have the meanings ascribed to them in the Loan Agreement.

B. Lenders are willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Secured Party, for the benefit of Lenders, a security interest in substantially all of Grantor's personal property whether presently existing or hereafter acquired. To that end, Grantor has executed in favor of Secured Party the Loan Agreement granting a security interest in all Collateral, and is executing this Agreement with respect to certain items of Intellectual Property, in particular.

NOW, THEREFORE, THE PARTIES HERETO AGREE 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 Obligations, Grantor hereby grants a security interest and mortgage to Secured Party, as security, in and to Grantor's entire right, title and interest in, to and under the following Intellectual Property, now owned or hereafter acquired by Grantor or in which Grantor now holds or hereafter acquires any interest (all of which shall collectively be called the "Collateral" for purposes of this Agreement):

(a) Any and all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, any State thereof or of any other country; all registrations, applications and recordings in the United States Copyright Office or in any similar office or agency of the United States, and State thereof or any other country; all continuations, renewals, or extensions thereof; and any registrations to be issued under any pending applications, including without limitation those set forth on Exhibit A attached hereto (collectively, the "Copyrights");

(b) All letters patent of, or rights corresponding thereto in, the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of, or rights corresponding thereto in, the United States or any other country, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country; all reissues, continuations, continuations-in-part or extensions thereof; all petty patents, divisionals, and patents of addition; and all patents to be issued under any such applications, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "Patents");

(c) All trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, and reissues, extensions or renewals thereof, 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");

(d) Any and all claims for damages by way of past, present and future infringement 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;

(e) All licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights;

(f) All amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents; and

(g) 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. Covenants and Warranties. Grantor represents, warrants, covenants and agrees as follows:

(a) Grantor is now the sole owner of the Collateral, except for Permitted Liens;

(b) During the term of this Agreement, Grantor will not transfer or otherwise encumber any interest in the Collateral, except for Permitted Liens;

(c) To its knowledge, each of the Patents is valid and enforceable, and no part of the Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Collateral violates the rights of any third party;

(d) Grantor shall deliver to Secured Party within thirty (30) days of the last day of each fiscal quarter in which there is a change or update to the reported contents from the previous fiscal quarter, a report signed by Grantor, in form reasonably acceptable to Secured Party, listing any applications or registrations that Grantor has made or filed in respect of any patents, copyrights or trademarks and the status of any outstanding applications or registrations. Grantor shall promptly advise Secured Party of any material change in the composition of the Collateral, including but not limited to any subsequent ownership right of the Grantor in or to any Trademark, Patent or Copyright not specified in this Agreement;

(e) Grantor shall use reasonable commercial efforts to (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights (ii) detect infringements of the Trademarks, Patents and Copyrights and promptly advise Secured Party in writing of material infringements detected and (iii) not allow any material Trademarks, Patents or Copyrights to be abandoned, forfeited or dedicated to the public without the written consent of Secured Party, which consent shall not be unreasonably withheld;

(f) Grantor shall apply for registration (to the extent not already registered) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable: (i) those intellectual property rights listed on Exhibits A, B and C hereto within thirty (30) days of the date of this Agreement; and (ii) those additional intellectual property rights developed or acquired by Grantor from time to time in connection with any product or service, prior to the sale or licensing of such product or the rendering of such service to any third party (including without limitation revisions or additions to the intellectual property rights listed on such Exhibits A, B and C), except with respect to such rights that Grantor determines in its sole but reasonable commercial judgment need not be registered to protect its own business interests. Grantor shall, from time to time, execute and file such other instruments, and take such further actions as Secured Party may reasonably request from time to time to perfect or continue the perfection of Secured Party's interest in the Collateral. Grantor shall give Secured Party notice of all such applications or registrations; and

(g) Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Secured Party'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 interests in any property included within the definition of the Collateral acquired under such contracts.

3. Further Assurances; Attorney in Fact.

(a) On a continuing basis, Grantor will 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 Trademark Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by Secured Party, to perfect Secured Party's security interest in all Copyrights, Patents and Trademarks and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to Secured Party the grant or perfection of a security interest in all Collateral.

(b) Grantor hereby irrevocably appoints Secured Party as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, from time to time in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including (i) to modify, in its sole discretion, this Agreement without first obtaining Grantor's approval of or signature to such modification by amending Exhibits A, B and C, hereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Grantor no longer has or claims any right, title or interest, (ii) to file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of Grantor where permitted by law, and (iii) after the occurrence of an Event of Default, to transfer the Collateral into the name of Secured Party or a third party to the extent permitted under the California Uniform Commercial Code.

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

(a) An Event of Default under the Loan Agreement; or

(b) Grantor breaches any warranty or agreement made by Grantor in this Agreement and, as to any breach that is capable of cure, Grantor fails to cure such breach within thirty (30) days of the sooner to occur of Grantor's receipt of notice of such breach from Secured Party or the date on which such breach first becomes known to Grantor.

5. Amendments. This Agreement may be amended only by a written instrument signed by both parties hereto, except for amendments permitted under Section 3 hereof to be made by Secured Party alone.

6. Counterparts. This 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.

*Remainder of this page intentionally left blank; signature page follows*

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

GRANTOR:

Address of Grantor:

CLOUDSHIELD TECHNOLOGIES, INC.

212 Gibraltar Drive  
Sunnyvale, CA 94089  
Attn: Chief Financial Officer

By:

*Rustyn Compston*

Name:

*Rustyn Compston*

Its:

*CEO and President*

SECURED PARTY:

Address of Secured Party:

VENTURE LENDING & LEASING IV, INC., as Agent

2010 North First Street, Suite 310  
San Jose, CA 95131  
Attn: Chief Financial Officer

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

[Signature Page to CloudShield Technologies, Inc.  
IP Security Agreement]

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

GRANTOR:

Address of Grantor:

CLOUDSHIELD TECHNOLOGIES, INC.

212 Gibraltar Drive  
Sunnyvale, CA 94089

Attn: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

SECURED PARTY:

Address of Secured Party:

VENTURE LENDING & LEASING IV, INC., as Agent

2010 North First Street, Suite 310  
San Jose, CA 95131

Attn: Chief Financial Officer

By:  \_\_\_\_\_

Name: Ronald W. Swenson

Its: Chief Executive Officer

EXHIBIT A

Copyrights

Description	Registration Number	Registration Date
CloudShield Packet Operating System (CPOS)	Unregistered	
ONS IDE - (Open Network Systems Integrated Development Environment)	Unregistered	
MFCSS - (Multi-Function Content Security Suite)	Unregistered	
CloudShield Packet Works (or just Packet Works)	Unregistered	
CS-2000 System Software	Unregistered	
Network Observatory	Unregistered	
Network Observatory Bundle	Unregistered	



EXHIBIT B

Patents

<u>Description</u>	<u>Registration/Serial Number</u>	<u>Registration/Application Date</u>
Patent 3 System and Method for Dynamic Compression	US Patent Application Serial No. 09/602,128 10477/3	Filed June 23, 2000
Patent 4 Apparatus and Method for Virtual Edge Placement of Web Sites	US Patent Application Serial No. 09/602,129 10477/4	Filed June 23, 2000
Patent 5 Apparatus and Method for Domain Name Resolution	US Patent Application Serial No. 09/602,286 10477/5	Filed June 23, 2000
Patent 6 Edge Adapter Apparatus and Method	US Patent Application Serial No. 09/858,309 10736/6	Filed May 15, 2001
Patent 7 Edge Adapter Architecture Apparatus and Method	US Patent Application Serial No. 09/858,323 10736/7	Filed August 29, 2001
Patent 8 Apparatus and Method for Interfacing with a High Speed Bi-Directional Network	US Patent Application Serial No. 09/858,324 10736/8	Filed August 29, 2001
Patent 9 Apparatus and Method for Interconnecting a Processor to Co-Processors Using Shared Memory	US Patent Application Serial No. 09/858,308 10736/9	Filed August 29, 2001
System and Method for Intelligent Load Sharing with Power Limiting Scheme for Multiple Power Supplies Connected to a Common Load	US Patent Application Serial No. 10/024,866 10736/15	Filed December 17, 2001
System and Method for Distributed Power Supply Supporting High Currents with Redundancy	US Patent No. 6,611,119	Filed December 9, 2003
System and Method for Dynamic Compression	US Patent No. 6,728,785	Filed April 27, 2004
System and Method for Intelligent Load Sharing and Power Limiting Scheme for Multiple Power Supplies Connected to a Common Load	US Patent No. 6,737,763	Filed May 18, 2004
Apparatus and Method for Virtual Edge Placement of Web Sites	US Patent No. 6,829,654	Filed December 7, 2004
Apparatus and Method for Interfacing with a High Speed Bi-Directional Network Using a Shared Memory to Store Packet Data	US Patent No. #,###,###	Expected Q1/2005

EXHIBIT C

Trademarks

Description

Registration/Application Number

Registration/Application Date

Word Mark: CloudShield

Serial Number: 78029968

Filing Date: October 10, 2000