

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	CORRECTIVE ASSIGNMENT
NATURE OF CONVEYANCE:	Corrective Assignment to correct the Assignee's correct name is: Gilo Ventures II, L.P. previously recorded on Reel 021648 Frame 0536. Assignor(s) hereby confirms the Security Agreement.

CONVEYING PARTY DATA

Name	Execution Date
VYYO Inc.	09/30/2008

RECEIVING PARTY DATA

Name:	Gilo Ventures II, L.P.
Street Address:	61 EAST MAIN STREET
Internal Address:	SUITE A
City:	LOS GATOS
State/Country:	CALIFORNIA
Postal Code:	95030

PROPERTY NUMBERS Total: 1

Property Type	Number
Patent Number:	6941119

CORRESPONDENCE DATA

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ATTORNEY DOCKET NUMBER:	P-9146-US
NAME OF SUBMITTER:	Adi Stav Golding

Total Attachments: 89

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TO:FRANCINE L. ALFANDARY COMPANY:1500 BROADWAY

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

10/08/2008
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Vyyo Inc.	09/30/2008
RECEIVING PARTY DATA	
Name:	Gilo Ventures IL, L.P.
Street Address:	61 East Main Street
Internal Address:	Suite A
City:	Los Gatos
State/Country:	CALIFORNIA
Postal Code:	95030
PROPERTY NUMBERS Total: 25	
Property Type	Number
Application Number:	09013919
Application Number:	11311311
Application Number:	11041905
Application Number:	11223102
Application Number:	10048588
Application Number:	10513214
Application Number:	10892052
Application Number:	10869578
Application Number:	10535822
Application Number:	10497064
Application Number:	10513538
Application Number:	11091596
Application Number:	11311937
Application Number:	09771015

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TO:FRANCINE L. ALFANDARY COMPANY:1500 BROADWAY

Application Number:	09771200
Application Number:	09771224
Application Number:	09771326
Application Number:	09771162
Application Number:	09771328
Application Number:	09771165
Application Number:	09771166
Application Number:	09771032
Application Number:	09771225
Application Number:	09809562
Application Number:	09801149

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NAME OF SUBMITTER:

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Total Attachments: 80

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EXECUTION VERSION

GUARANTY AND SECURITY AGREEMENT

among

VYYO INC.,

EACH OF THE SUBSIDIARIES PARTY HERETO,

and

GILO VENTURES II, L.P., as Secured Party

Dated as of September 30, 2008

PATENT

REEL: 021962 FRAME: 0095

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SCHEDULES:

Schedule I	List of Subsidiary Guarantors and Addresses for Notices
Schedule 3.1(a)(i)	List of Chief Executive Offices, Jurisdictions of Organization, Federal Employer Identification Numbers and Company Organizational Numbers
Schedule 3.1(a)(ii)	List of Legal and Other Names
Schedule 3.1(a)(v)	List of Filing Offices
Schedule 3.2	List of Locations of Equipment and Inventory
Schedule 3.3	List of Other Receivables
Schedule 3.4	List of Pledged Collateral, Investment Property and Securities Accounts
Schedule 3.5	List of Letters of Credit
Schedule 3.6	List of Intellectual Property
Schedule 3.7	List of Commercial Tort Claims
Schedule 3.8	List of Deposit Accounts

EXHIBITS:

Exhibit A	Form of Supplement
Exhibit B	Reserved
Exhibit C	Reserved
Exhibit D	Form of Vyyo Ltd. Pledge Agreement
Exhibit E	Form of Xtend Networks Ltd. Pledge Agreement

GUARANTY AND SECURITY AGREEMENT, dated as of September 30, 2008 (this "**Guaranty and Security Agreement**"), among Vyyo Inc., a Delaware corporation (the "**Company**"), each of the subsidiaries of the Company listed on Schedule I (each such subsidiary, individually, a "**Subsidiary Guarantor**" and, collectively, the "**Subsidiary Guarantors**"; the Subsidiary Guarantors and the Company are referred to collectively herein as the "**Grantors**"), **GILO VENTURES II, L.P.**, as Secured Party (including its successors and assigns and in such capacity, the "**Secured Party**"), and **GOLDMAN SACHS INVESTMENT PARTNERS MASTER FUND, L.P.** ("**GS**").

The Secured Party has agreed to purchase the Senior Secured Convertible Note in the aggregate principal amount of \$1,400,000 (as amended, supplemented or otherwise modified, the "**Convertible Note**") from the Company. Each of the Subsidiary Guarantors has agreed to guarantee, among other things, all the obligations of the Company and each other Subsidiary Guarantor under the Secured Transaction Documents (as defined in Section 1.1). The obligations of the Secured Party to make Loans (as defined in Section 1.1) under the Convertible Note is conditioned upon, among other things, the execution and delivery by the Grantors of an agreement in the form hereof to guarantee and secure the Obligations.

Accordingly, the Grantors, the Secured Party and the Account Collateral Agent (and each of their respective successors or assigns), hereby agree as follows:

ARTICLE I.

DEFINITIONS; GUARANTY; GRANT OF SECURITY; CONTINUING PERFECTION AND PRIORITY

Section 1.1 General Definitions

As used in this Guaranty and Security Agreement, the following terms shall have the meanings specified below:

"**Account Debtor**" means each Person who is obligated in respect of any Receivable or any Supporting Obligation or Collateral Support related thereto.

"**Accounts**" means all "accounts" as defined in Article 9 of the UCC.

"**Account Collateral Agent**" has the meaning assigned to such term in Article XII.

"**Additional Subsidiary Guarantor and Grantor**" has the meaning assigned to such term in Article 11.

"**Applicable Date**" means (i) in the case of any Grantor (other than an Additional Subsidiary Guarantor and Grantor), the date hereof, and (ii) in the case of any Additional Subsidiary Guarantor and Grantor, the date of the Supplement executed and delivered by such Additional Subsidiary Guarantor and Grantor.

"Approved Securities Intermediary" means a Securities Intermediary or commodity intermediary selected or approved by the Secured Party and with respect to which a U.S. Grantor has delivered to the Secured Party an executed Control Account Letter.

"Authorization" means, collectively, any license, approval, permit or other authorization issued by Governmental Authority.

"Bankruptcy Law" means Title 11, U.S. Code, or any similar foreign, federal or state law for the relief of debtors.

"Blockage Notice" has the meaning specified in each Blocked Account Letter.

"Blocked Account" means a Deposit Account maintained by any U.S. Grantor with a Blocked Account Bank which account is the subject of an effective Blocked Account Letter, and includes all monies on deposit therein and all certificates and instruments, if any, representing or evidencing such Blocked Account.

"Blocked Account Bank" means a financial institution selected or approved by the Secured Party and with respect to which a U.S. Grantor has delivered to the Account Collateral Agent an executed Blocked Account Letter.

"Blocked Account Letter" means a Blocked Account Letter, in the form and substance acceptable to the Secured Party, executed by the relevant U.S. Grantor and the Account Collateral Agent and acknowledged and agreed to by the relevant Blocked Account Bank.

"Business Day" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed.

"Cash Collateral Account" means any Deposit Account or Securities Account established by the Secured Party in which cash and/or Permitted Investments may from time to time be on deposit or held therein pursuant to the Secured Transaction Documents.

"Chattel Paper" means all "chattel paper" as defined in Article 9 of the UCC.

"Claim Proceeds" means, with respect to any Commercial Tort Claim or any Collateral Support or Supporting Obligation relating thereto, all Proceeds thereof, including all insurance proceeds and other amounts and recoveries resulting or arising from the settlement or other resolution thereof, in each case regardless of whether characterized as a "**commercial tort claim**" under Article 9 of the UCC or "proceeds" under the UCC.

"Collateral" has the meaning assigned to such term in Section 1.4(b).

"Collateral Records" means all books, instruments, certificates, Records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals and other documents, and all computer software, computer printouts, tapes, disks and related data

processing software and similar items, in each case that at any time represent, cover or otherwise evidence any of the Collateral.

“Collateral Support” means all property (real or personal) assigned, hypothecated or otherwise securing any of the Collateral, and shall include any security agreement or other agreement granting a lien or security interest in such real or personal property.

“Commercial Tort Claims” means (i) all “commercial tort claims” as defined in Article 9 of the UCC and (ii) all Claim Proceeds with respect to any of the foregoing; including all claims described on Schedule 3.7.

“Company” has the meaning assigned to such term in the preliminary statement of this Guaranty and Security Agreement.

“Concentration Account” means a Deposit Account of the U.S. Grantors with a bank or financial institution acceptable to the Secured Party, which shall be a Blocked Account.

“Control Account” means a Securities Account or commodity account maintained by any U.S. Grantor with an Approved Securities Intermediary which account is the subject of an effective Control Account Letter, and includes all Financial Assets held therein and all certificates and instruments, if any, representing or evidencing the Financial Assets held therein.

“Control Account Letter” means a Control Account Letter, in the form and substance acceptable to the Secured Party, executed by any U.S. Grantor and the Account Collateral Agent and acknowledged and agreed to by the relevant Approved Securities Intermediary.

“Convertible Note” has the meaning assigned to such term in the preliminary statement of this Guaranty and Security Agreement.

“Copyright License” means any written agreement, now or hereafter in effect, granting any right to any third party under any Copyright now or hereafter owned or held by or behalf of any Grantor or which any Grantor otherwise has the right to license, or granting any right to any Grantor under any Copyright now or hereafter owned by any third party, and all rights of any Grantor under any such agreement, including each agreement described on Schedule 3.6.

“Copyrights” means all of the following: (i) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise, and (ii) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office or any similar offices in the United States or any other country, including those described on Schedule 3.6.

“Deposit Accounts” means all “deposit accounts” as defined in Article 9 of the UCC, including all such accounts described on Schedule 3.4.

“Documents” means all “documents” as defined in Article 9 of the UCC.

“Equipment” means (i) all “equipment” as defined in Article 9 of the UCC, (ii) all machinery, manufacturing equipment, data processing equipment, computers, office equipment, furnishings, furniture, appliances, fixtures and tools, in each case, regardless of whether characterized as “equipment” under the UCC, and (iii) all accessions or additions to any of the foregoing, all parts thereof, whether or not at any time of determination incorporated or installed therein or attached thereto, and all replacements therefor, wherever located, now or hereafter existing.

“Equity Interest” means (i) shares of corporate stock, partnership interests, membership interests, and any other interest that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person, and (ii) all warrants, options or other rights to acquire any Equity Interest set forth in clause (i) of this defined term.

“Equity Related Documents” means the Securities Purchase Agreement and the Registration Rights Agreement.

“Existing Secured Party” means GS in its capacity as Secured Party for the benefit of the GS and Syntek Capital AG under the Existing Security Agreement.

“Existing Documents” means each Existing Note, the Existing Security Agreement and all other documents and instruments now or hereafter executed and delivered by the Company or any of the Company’s subsidiaries in connection therewith.

“Existing Notes” those certain Senior Secured Convertible Notes each dated June 13, 2008 and executed and delivered by Vyyo, Inc. (the “Company”), one in favor of GS in the original principal amount of \$38,000,000 and one in favor of Syntek Capital AG in the original principal amount of \$3,000,000.

“Existing Security Agreement” means that certain Guaranty and Security Agreement, dated as of June 13, 2008, among the Company, each of the subsidiaries of the Company listed on Schedule I thereto, the “Investors” from time to time party thereto and the Existing Secured Party.

“Event of Default” has the meaning assigned to such term in the Convertible Note.

“Financial Assets” means all “financial assets” as defined in Article 8 of the UCC.

“General Intangibles” means (i) all “general intangibles” as defined in Article 9 of the UCC and (ii) all choses in action and causes of action, all indemnification claims, all goodwill, all tax refunds, all licenses, permits, concessions, franchises and authorizations, all

Intellectual Property, all Payment Intangibles and all Software, in each case, regardless of whether characterized as a "general intangible" under the UCC.

"Goods" means (i) all "goods" as defined in Article 9 of the UCC and (ii) all Equipment and Inventory and any computer program embedded in goods and any supporting information provided in connection with such program, to the extent (a) such program is associated with such goods in such a manner that it is customarily considered part of such goods or (b) by becoming the owner of such goods, a Person acquires a right to use the program in connection with such goods, in each case, regardless of whether characterized as a "good" under the UCC.

"Governmental Authority" means any nation or government, any state, province, city, municipal entity or other political subdivision thereof, and any governmental, executive, legislative, judicial, administrative or regulatory agency, department, authority, instrumentality, commission, board, bureau or similar body, whether federal, state, provincial, territorial, local or foreign.

"Grantor" and **"Grantors"** have the meanings assigned to such terms in the preliminary statement of this Guaranty and Security Agreement.

"Guaranteed Obligations" has the meaning assigned to such term in Section 1.3(a)(i).

"Instruments" means all "instruments" as defined in Article 9 of the UCC.

"Insurance" means all insurance policies covering any or all of the Collateral (regardless of whether the Secured Party is an additional named insured or the loss payee thereof) and all business interruption insurance policies.

"Intellectual Property" means all intellectual and similar property of any Grantor of every kind and nature, including inventions, designs, Patents, Copyrights, Trademarks, Licenses, domain names, Trade Secrets, confidential or proprietary technical and business information, know how, show how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

"Intercreditor Agreement" means that certain Intercreditor Agreement dated as of the date hereof by and among the Secured Party, Syntek Capital AG, and GS.

"Inventory" means (i) all "inventory" as defined in Article 9 of the UCC and (ii) all goods held for sale or lease or to be furnished under contracts of service or so leased or furnished, all raw materials, work in process, finished goods and materials used or consumed in the manufacture, packing, shipping, advertising, selling, leasing, furnishing or production of such inventory or otherwise used or consumed in any U.S. Grantor's business, all goods which are returned to or repossessed by or on behalf of any U.S. Grantor, and all computer programs

embedded in any goods, and all accessions thereto and products thereof, in each case, regardless of whether characterized as "inventory" under the UCC.

"Investment Property" means, collectively, all **"investment property"** as defined in Article 9 of the UCC including all Pledged Collateral.

"Israeli Collateral" has the meaning assigned to such term in Section 1.4(b).

"Israeli Grantor" means each Subsidiary listed on Schedule I hereto under the heading "Israeli Subsidiary" and each Additional Subsidiary Guarantor and Grantor from time to time as made a party hereto (excluding any U.S. Grantor).

"Israeli Security Interest" has the meaning assigned to such term in Section 1.4(b).

"Letter of Credit Rights" means (i) all "letter-of-credit rights" as defined in Article 9 of the UCC and (ii) all rights, title and interests of each U.S. Grantor to any letter of credit, in each case regardless of whether characterized as a "letter-of-credit right" under the UCC.

"License" means any Copyright License, Patent License, Trademark License, Trade Secret License or other license or sublicense to which any Grantor is a party.

"Lien" means any lien, mortgage, charge, claim, security interest, encumbrance, or right of first refusal.

"Loans" has the meaning assigned to such term in the Convertible Note.

"Obligations" means (i) the due and punctual payment of (a) principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Convertible Note, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (b) all other monetary obligations, including fees, commissions, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Grantors to the Secured Party, or that are otherwise payable to the Secured Party, in each case under the Secured Transaction Documents, (ii) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Grantors or any other party (other than the Secured Party) under or pursuant to the Secured Transaction Documents, and (iii) the Guaranteed Obligations.

"Other Receivables" means receivables described on Schedule 3.3 hereto.

"Paid in Full" means the irrevocable and indefeasible payment in full in cash of all indebtedness and other obligations under the Convertible Note (other than contingent obligations for which no claim has been made) and the termination of the Convertible Note.

“Patent License” means any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a Patent, now or hereafter owned or held by or on behalf of any Grantor or which any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a Patent, now or hereafter owned by any third party, is in existence, and all rights of any Grantor under any such agreement, including each agreement described on Schedule 3.6.

“Patents” means all of the following: (i) all letters patent of the United States or any other country, all registrations and recordings thereof and all applications for letters patent of the United States or any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar offices in the United States or any other country, including those described on Schedule 3.6, and (ii) all reissues, continuations, divisions, continuations in part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

“Payment Intangibles” means all “payment intangibles” as defined in Article 9 of the UCC.

“Permitted Investments” means investments permitted to be made pursuant to the Convertible Note.

“Person” means any individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, or joint stock company.

“Pledged Collateral” means, collectively, Pledged Debt and Pledged Equity Interests.

“Pledged Debt” means all indebtedness owed or owing to any U.S. Grantor, including all indebtedness described on Schedule 3.4, all Instruments other than checks received in the ordinary course of business, Chattel Paper or other documents, if any, representing or evidencing such debt, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such debt.

“Pledged Equity Interests” means all Equity Interests owned or held by or on behalf of any U.S. Grantor, including all such Equity Interests described on Schedule 3.4, and all certificates, instruments and other documents, if any, representing or evidencing such Equity Interests and all interests of such U.S. Grantor on the books and records of the issuers of such Equity Interests, all of such U.S. Grantor’s right, title and interest in, to and under any partnership, limited liability company, shareholder or similar agreements to which it is a party, and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Equity Interests.

“Proceeds” means (i) all “proceeds” as defined in Article 9 of the UCC, (ii) payments or distributions made with respect to any Investment Property, (iii) any payment received from any insurer or other Person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property that constitutes the Collateral, and (iv) whatever is receivable or received when any of the Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary, including any claim of any Grantor against any third party for (and the right to sue and recover for and the rights to damages or profits due or accrued arising out of or in connection with) (a) past, present or future infringement of any Patent now or hereafter owned or held by or on behalf of any Grantor, or licensed under a Patent License, (b) past, present or future infringement or dilution of any Trademark now or hereafter owned or held by or on behalf of any Grantor, or licensed under a Trademark License, or injury to the goodwill associated with or symbolized by any Trademark now or hereafter owned or held by or on behalf of any Grantor, (c) past, present or future infringement of any Copyright now or hereafter owned or held by or on behalf of any Grantor, or licensed under a Copyright License, (d) past, present or future infringement of any Trade Secret now or hereafter owned or held by or on behalf of any Grantor, or licensed under a Trade Secret License, and (e) past, present or future breach of any License, in each case, regardless of whether characterized as “proceeds” under the UCC.

“Receivables” means all rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, including all such rights constituting or evidenced by any Account, Chattel Paper, Instrument or other document, General Intangible or Investment Property, together with all of the applicable U.S. Grantor’s rights, if any, in any goods or other property giving rise to such right to payment, and all Collateral Support and Supporting Obligations related thereto and all Receivables Records.

“Receivables Records” means (i) all originals of all documents, instruments or other writings or electronic records or other Records evidencing any Receivable, (ii) all books, correspondence, credit or other files, Records, ledger sheets or cards, invoices, and other papers relating to such Receivable, including all tapes, cards, computer tapes, computer discs, computer runs and record keeping systems, whether in the possession or under the control of the applicable U.S. Grantor or any computer bureau or agent from time to time acting for such U.S. Grantor or otherwise, (iii) all evidences of the filing of financing statements relating to such Receivable and the registration of other instruments in connection therewith, and amendments, supplements or other modifications thereto, notices to other creditors or secured parties, and certificates, acknowledgments, or other writings, including lien search reports, from filing or other registration officers and (iv) all credit information, reports and memoranda relating to such Receivable.

“Record” means a “record” as defined in Article 9 of the UCC.

“Related Party” means, with respect to any specified Person, such Person’s affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s affiliates.

"Secured Party" means (i) the Secured Party, (ii) the beneficiaries of each indemnification obligation undertaken by or on behalf of any Grantor under any Secured Transaction Document, and (iii) the successors and assigns of each of the foregoing.

"Secured Transaction Documents" means the Convertible Note, this Guaranty and Security Agreement, any Blocked Account Letter, any Control Account Letter, and all other instruments, documents, certificates and agreements related thereto (exclusive of the Equity Related Documents).

"Securities Accounts" means all "securities accounts" as defined in Article 8 of the UCC, including all such accounts described on Schedule 3.4.

"Securities Intermediary" has the meaning specified in Article 8 of the UCC.

"Security Interest" has the meaning assigned to such term in Section 1.4(b).

"Software" means all "software" as defined in Article 9 of the UCC.

"Subsidiary Guarantor" has the meaning assigned to such term in Section the preliminary statement of this Guaranty and Security Agreement.

"Subsidiary Guaranty" has the meaning assigned to such term in Section 1.3(a)(i).

"Subordinated Obligations" has the meaning assigned to such term in Section 1.3(e).

"Supplement" means a supplement hereto, substantially in the form of Exhibit A.

"Supporting Obligation" means (i) all "supporting obligations" as defined in Article 9 of the UCC and (ii) all Guaranties and other secondary obligations supporting any of the Collateral, in each case regardless of whether characterized as a "supporting obligation" under the UCC.

"Trade Secret Licenses" means any written agreement, now or hereafter in effect, granting to any third party any right to use any Trade Secrets now or hereafter owned or held by or on behalf of any Grantor or which such Grantor otherwise has the right to license, or granting to any Grantor any right to use any Trade Secrets now or hereafter owned by any third party, and all rights of any Grantor under any such agreement, including each agreement described on Schedule 3.6.

"Trade Secrets" means all trade secrets and all other confidential or proprietary information and know-how now or hereafter owned or used in, or contemplated at any time for use in, the business of any Grantor (all of the foregoing being collectively called a "Trade Secret"), whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying, incorporating or referring in any way to such Trade Secret, the right to sue for any past, present and future infringement of any Trade Secret,

and all proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages and proceeds of suit.

“Trademark License” means any written agreement, now or hereafter in effect, granting to any third party any right to use any Trademark now or hereafter owned or held by or on behalf of any Grantor or which such Grantor otherwise has the right to license, or granting to any Grantor any right to use any Trademark now or hereafter owned by any third party, and all rights of any Grantor under any such agreement, including each agreement described on Schedule 3.6.

“Trademarks” means all of the following: (i) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office or any similar offices in the United States or any other country, and all extensions or renewals thereof, including those described on Schedule 3.6, (ii) all goodwill associated therewith or symbolized by any of the foregoing and (iii) all other assets, rights and interests that uniquely reflect or embody such goodwill.

“UCC” means the Uniform Commercial Code as in effect from time to time in the State of New York or, when the context implies, the Uniform Commercial Code as in effect from time to time in any other applicable jurisdiction.

“U.S. Collateral” has the meaning assigned to such term in Section 1.4(a).

“U.S. Grantor” means the Company and each Subsidiary listed on Schedule I hereto under the heading “U.S. Subsidiary” and each Additional Subsidiary Guarantor and Grantor from time to time as made a party hereto (excluding any Israeli Grantor).

“U.S. Security Interest” has the meaning assigned to such term in Section 1.4(a).

“U.S. Subsidiary Guarantor” means any U.S. Grantor other than the Company.

Section 1.2 Other Definitions; Interpretation; Intercreditor Agreement

(a) Other Definitions. Capitalized terms used herein and not otherwise defined herein, and the term “subsidiary” shall have the meanings assigned to such terms in the Convertible Note.

(b) Rules of Interpretation. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word

“shall”. Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified, (ii) any definition of or reference to any law shall be construed as referring to such law as from time to time amended and any successor thereto and the rules and regulations promulgated from time to time thereunder, (iii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iv) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Guaranty and Security Agreement in its entirety and not to any particular provision hereof, (v) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to and any Supplement thereto, this Guaranty and Security Agreement, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. All references herein to provisions of the UCC shall include all successor provisions under any subsequent version or amendment to any Article of the UCC.

(c) Intercreditor Agreement. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Secured Party pursuant to this Guaranty and Security Agreement and the other Secured Transaction Documents and the exercise of any right or remedy by the Secured Party hereunder and thereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Guaranty and Security Agreement or any other Secured Transaction Document, the terms of the Intercreditor Agreement shall govern and control. All representations, warranties and covenants in this Guaranty and Security Agreement and the other Secured Transaction Document shall be subject to the provisions and qualifications set forth in this Section 1.2.

Section 1.3 Guaranty

(a) Subsidiary Guaranty; Limitation of Liability.

(i) Each Subsidiary Guarantor jointly and severally, hereby absolutely, unconditionally and irrevocably guarantees, as a primary obligor and not merely as surety, to the Secured Party the punctual payment when due (but subject to the expiration of any grace period granted by the Secured Party in their sole discretion or the giving of any required notice provided for in any Secured Transaction Document), whether at scheduled maturity or on any date of a required prepayment or by acceleration, demand or otherwise, of the Obligations of the Company and each other Grantor now or hereafter existing under or in respect of the Secured Transaction Documents (including, without limitation, any extensions, modifications, substitutions, amendments or renewals of any or all of the foregoing Obligations), whether direct or indirect, absolute or contingent, and whether for principal, interest, premiums, fees, indemnities, contract causes of action, costs, expenses or otherwise (such Obligations being the “**Guaranteed Obligations**”), and agrees to pay any and all reasonable expenses (including, without limitation, reasonable fees and out-of-pocket expenses of counsel) incurred by the Secured Party in enforcing any rights under this Subsidiary Guaranty (the “**Subsidiary Guaranty**”) or any other Secured Transaction Document. Without limiting the generality of the

foregoing, each Subsidiary Guarantor's liability shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by any other Grantor to the Secured Party under or in respect of the Secured Transaction Documents but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving such other Grantor.

(ii) Each Subsidiary Guarantor, and by its acceptance of the Subsidiary Guaranty and the Secured Party, hereby confirms that it is the intention of all such Persons that the Subsidiary Guaranty and the Obligations of each Subsidiary Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to the Subsidiary Guaranty and the Obligations of each Subsidiary Guarantor hereunder. To effectuate the foregoing intention, the Secured Party and the Subsidiary Guarantors hereby irrevocably agree that the Guaranteed Obligations of each Subsidiary Guarantor under the Subsidiary Guaranty at any time shall be limited to the maximum amount as will result in the Guaranteed Obligations of such Subsidiary Guarantor under the Subsidiary Guaranty not constituting a fraudulent transfer or conveyance.

(iii) Each Subsidiary Guarantor hereby unconditionally and irrevocably agrees that in the event any payment shall be required to be made to the Secured Party under the Subsidiary Guaranty or any other guaranty, such Subsidiary Guarantor will contribute, to the maximum extent permitted by law, such amounts to each other Subsidiary Guarantor and each other guarantor so as to maximize the aggregate amount paid to the Secured Party under or in respect of the Secured Transaction Documents.

(b) Subsidiary Guaranty Absolute. Each U.S. Subsidiary Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Secured Transaction Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Secured Party with respect thereto. The Obligations of each Subsidiary Guarantor under or in respect of the Subsidiary Guaranty are independent of the Guaranteed Obligations or any other Obligations of any other Grantor under or in respect of the Secured Transaction Documents, and a separate action or actions may be brought and prosecuted against each Subsidiary Guarantor to enforce the Subsidiary Guaranty, irrespective of whether any action is brought against the Company or any other Grantor or whether the Company or any other Grantor is joined in any such action or actions. The liability of each Subsidiary Guarantor under the Subsidiary Guaranty shall be irrevocable, absolute and unconditional irrespective of, and each Subsidiary Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to, any or all of the following:

(i) any lack of validity or enforceability of any Secured Transaction Document or any agreement or instrument relating thereto;

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations or any other Obligations of any other Grantor under or in respect of the Secured Transaction Documents, or any other amendment or

waiver of or any consent to departure from any Secured Transaction Document, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to any Grantor or any of its Subsidiaries or otherwise;

(iii) any taking, release or amendment or waiver of, or consent to departure from, any other guaranty, for all or any of the Guaranteed Obligations it being understood that any such amendment, waiver or consent shall be applicable to the Guaranteed Obligations of the Subsidiary Guarantors;

(iv) any change, restructuring or termination of the corporate structure or existence of any Grantor or any of its Subsidiaries;

(v) any failure of the Secured Party to disclose to any Grantor any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Grantor now or hereafter known to the Secured Party (each Subsidiary Guarantor waiving any duty on the part of the Secured Party to disclose such information);

(vi) the failure of any other Person to execute or deliver this Guaranty and Security Agreement, any Supplement or any other guaranty or agreement or the release or reduction of liability of any Subsidiary Guarantor or other guarantor or surety with respect to the Guaranteed Obligations; or

(vii) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by the Secured Party that might otherwise constitute a defense available to, or a discharge of, any Grantor or any other guarantor or surety, in each case other than payment in full of the Guaranteed Obligations (other than contingent indemnification obligations).

This Subsidiary Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Secured Party or any other Person upon the insolvency, bankruptcy or reorganization of the Company or any other Grantor or otherwise, all as though such payment had not been made.

(c) Waivers and Acknowledgments. Each Subsidiary Guarantor hereby unconditionally and irrevocably waives:

(i) promptness, diligence, notice of acceptance, presentment, demand for performance, notice of nonperformance, default, acceleration, protest or dishonor and any other notice with respect to any of the Guaranteed Obligations and this Subsidiary Guaranty and any requirement that the Secured Party protect, secure, perfect or insure any Lien or any property subject thereto or exhaust any right or take any action against any Grantor or any other Person;

(ii) any right to revoke this Subsidiary Guaranty and acknowledges that this Subsidiary Guaranty is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future;

(iii) (A) any defense arising by reason of any claim or defense based upon an election of remedies by the Secured Party that in any manner impairs, reduces, releases or otherwise adversely affects the subrogation, reimbursement, exoneration, contribution or indemnification rights of such Subsidiary Guarantor or other rights of such Subsidiary Guarantor to proceed against any of the other Grantors, any other guarantor or any other Person, and (B) any defense based on any right of set-off or counterclaim against or in respect of the Obligations of such Subsidiary Guarantor hereunder;

(iv) any duty on the part of the Secured Party to disclose to such Subsidiary Guarantor any matter, fact or thing relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Grantor or any of its Subsidiaries now or hereafter known by the Secured Party; and

(v) each Subsidiary Guarantor acknowledges that it will receive substantial direct and indirect benefits from the financing arrangements contemplated by the Secured Transaction Documents and that the waivers set forth in Section 1.3(b) and this Section 1.3(c) are knowingly made in contemplation of such benefits.

(d) Subrogation. Each Subsidiary Guarantor hereby unconditionally and irrevocably agrees not to exercise any rights that it may now have or hereafter acquire against the Company, any other Grantor or any other insider guarantor that arise from the existence, payment, performance or enforcement of such Subsidiary Guarantor's obligations under or in respect of this Subsidiary Guaranty or any other Secured Transaction Document, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Secured Party against the Company, any other Grantor or any other insider guarantor, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from the Company, any other Grantor or any other insider guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, unless and until all of the Guaranteed Obligations (other than contingent indemnification obligations) and all other amounts payable under this Subsidiary Guaranty shall have been Paid in Full in cash. If any amount shall be paid to any Subsidiary Guarantor in violation of the immediately preceding sentence at any time prior to the latest of the payment in full in cash of the Guaranteed Obligations (other than contingent indemnification obligations) and all other amounts payable under this Subsidiary Guaranty, such amount shall be received and held in trust for the benefit of the Secured Party, shall be segregated from other property and funds of such Subsidiary Guarantor and shall forthwith be paid or delivered to the Secured Party in the same form as so received (with any necessary endorsement or assignment) to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Subsidiary Guaranty, whether matured or unmatured, in accordance with the terms of the Secured Transaction Documents, or to be held as collateral for any Guaranteed Obligations or other amounts payable under this Subsidiary Guaranty thereafter arising. If (i) any Subsidiary Guarantor shall make payment to the Secured Party of all or any part of the Guaranteed Obligations and (ii) all of the Guaranteed Obligations (other than contingent indemnification obligations) and all other amounts payable under this Subsidiary Guaranty shall have been Paid in Full in cash, the Secured Party will, at

such Subsidiary Guarantor's request and expense, execute and deliver to such Subsidiary Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to such Subsidiary Guarantor of an interest in the Guaranteed Obligations resulting from such payment made by such Subsidiary Guarantor pursuant to this Subsidiary Guaranty.

(e) Subordination. Each Subsidiary Guarantor hereby subordinates any and all debts, liabilities and other Obligations owed to such Subsidiary Guarantor by each other Grantor (the "Subordinated Obligations") to the Guaranteed Obligations to the extent and in the manner hereinafter set forth in this Section 1.3:

(i) Prohibited Payments, Etc. Except during the continuance of an Event of Default, each Subsidiary Guarantor may receive payments from any other Grantor on account of the Subordinated Obligations. After the occurrence and during the continuance of any Event of Default, however, any Subsidiary Guarantor may demand, accept or take any action to collect any payment on account of the Subordinated Obligations.

(ii) Prior Payment of Guaranteed Obligations. In any proceeding under any Bankruptcy Law relating to any other Grantor, each Subsidiary Guarantor agrees that the Secured Party shall be entitled to receive payment in full in cash of all Guaranteed Obligations (including all interest and expenses accruing after the commencement of a proceeding under any Bankruptcy Law, whether or not constituting an allowed claim in such proceeding ("Post-Petition Interest")) (other than contingent indemnification obligations) before such Subsidiary Guarantor receives payment of any Subordinated Obligations.

(iii) Turn-Over. After the occurrence and during the continuance of any Event of Default, each Subsidiary Guarantor shall, if the Secured Party so requests, collect, enforce and receive payments on account of the Subordinated Obligations as trustee for the Secured Party and deliver such payments to the Secured Party on account of the Guaranteed Obligations (including all Post-Petition Interest), together with any necessary endorsements or other instruments of transfer, but without reducing or affecting in any manner the liability of such Subsidiary Guarantor under the other provisions of the Subsidiary Guaranty.

(iv) Secured Party Authorization. After the occurrence and during the continuance of any Event of Default, the Secured Party is authorized and empowered (but without any obligation to so do), in its reasonable discretion, (A) in the name of each Subsidiary Guarantor, to collect and enforce, and to submit claims in respect of, the Subordinated Obligations and to apply any amounts received thereon to the Guaranteed Obligations (including any and all Post-Petition Interest), and (B) to require each Subsidiary Guarantor (1) to collect and enforce, and to submit claims in respect of, the Subordinated Obligations and (2) to pay any amounts received on such obligations to the Secured Party for application to the Guaranteed Obligations (including any and all Post-Petition Interest).

(f) Continuing Subsidiary Guaranty; Assignments. The Subsidiary Guaranty is a continuing guaranty and shall (i) remain in full force and effect until the payment in full in cash of the Guaranteed Obligations and all other amounts payable under the Subsidiary Guaranty, (ii) be binding upon each Subsidiary Guarantor, its successors and assigns, and

(iii) inure to the benefit of and be enforceable by the Secured Party and its successors, transferees and assigns.

Section 1.4 Grant of Security

(a) Grant by U.S. Grantors. As security for the payment or performance, as applicable, in full of the Obligations, each U.S. Grantor hereby pledges and grants to the Secured Party a lien on and security interest (the “**U.S. Security Interest**”) in and to all of the right, title and interest of such U.S. Grantor in, to and under the following property, wherever located, whether now existing or hereafter arising or acquired from time to time (all of which being hereinafter collectively referred to as the “**U.S. Collateral**”):

- (i) all Accounts,
- (ii) all Deposit Accounts and Securities Accounts, including all Cash Collateral Accounts and Blocked Accounts,
- (iii) all Chattel Paper, Documents and Instruments,
- (iv) all Commercial Tort Claims,
- (v) all Equipment,
- (vi) all General Intangibles,
- (vii) all Goods,
- (viii) all Insurance,
- (ix) all Instruments,
- (x) all Intellectual Property,
- (xi) all Inventory,
- (xii) all Investment Property, including all Pledged Collateral and all Control Accounts,
- (xiii) all Proceeds of Authorizations,
- (xiv) all Receivables and Receivables Records,
- (xv) all other goods and personal property of such U.S. Grantor, whether tangible or intangible, wherever located, including letters of credit,

(xvi) to the extent not otherwise included in clauses (i) through (xv) of this Section, all Collateral Records, Collateral Support and Supporting Obligations in respect of any of the foregoing,

(xvii) to the extent not otherwise included in clauses (i) through (xvi) of this Section, all other property in which a security interest may be granted under the UCC or which may be delivered to and held by the Secured Party pursuant to the terms hereof (including the account referred to in Section 3.4(c)(ii) and all funds and other property from time to time therein or credited thereto), and

(xviii) to the extent not otherwise included in clauses (i) through (xvii) of this Section, all Proceeds, products, substitutions, accessions, rents and profits of or in respect of any of the foregoing.

(b) Grant by Israeli Grantors. As security for the payment or performance, as applicable, in full of the Obligations, each Israeli Grantor hereby pledges and grants to the Account Collateral Agent, for the benefit of the Secured Party a lien on and security interest (the “**Israeli Security Interest**”, together with the U.S. Security Interest, the “**Security Interest**”) in and to all of the right, title and interest of such Israeli Grantor in, to and under the “Collateral” (as that term is defined in the Pledge Agreements each attached substantially in the form of Exhibits D and Exhibit E hereto, respectively, to be executed and delivered to the Secured Party concurrently with this Guaranty and Security Agreement), wherever located (all of which being hereinafter collectively referred to as the “**Israeli Collateral**” and together with the U.S. Collateral, the “**Collateral**”).

(c) Revisions to UCC. For the avoidance of doubt, it is expressly understood and agreed that, to the extent the UCC is revised after the date hereof such that the definition of any of the foregoing terms included in the description or definition of the Collateral is changed, the parties hereto desire that any property which is included in such changed definitions, but which would not otherwise be included in the Security Interest on the date hereof, nevertheless be included in the Security Interest upon the effective date of such revision. Notwithstanding the immediately preceding sentence, the Security Interest is intended to apply immediately on the date hereof to all of the Collateral to the fullest extent permitted by applicable law, regardless of whether any particular item of the Collateral was then subject to the UCC.

(d) Grant of Security to Account Collateral Agent. Each Grantor hereby also grants to the Account Collateral Agent, for the benefit of the Secured Party, a security interest in and continuing lien on all of such Grantor’s right, title and interest in, to and under all Deposit Accounts, Security Accounts and Investment Property.

ARTICLE II.

SECURITY FOR OBLIGATIONS; NO ASSUMPTION OF LIABILITY

Section 2.1 Security for Obligations

This Guaranty and Security Agreement secures, and the Collateral is collateral security for, the prompt and complete payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of Title 11 of the United States Code, or any similar provision of any other bankruptcy, insolvency, receivership or other similar law), of all Obligations with respect to each Grantor.

Section 2.2 No Assumption of Liability

Notwithstanding anything to the contrary herein, the Security Interest is granted as security only and shall not subject the Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Collateral.

ARTICLE III.

REPRESENTATIONS AND WARRANTIES AND COVENANT

Section 3.1 Generally

(a) Representations and Warranties. Each of the Grantors, jointly with the other Grantors and severally, represents and warrants to the Secured Party that:

(i) As of the Applicable Date, (A) such Grantor's chief executive office or its principal place of business is, and for the preceding four months has been, located at the office indicated on Schedule 3.1(a)(i), (B) such Grantor's jurisdiction of organization is the jurisdiction indicated on Schedule 3.1(a)(i), and (C) such Grantor's Federal Employer Identification Number and company organizational number is as set forth on Schedule 3.1(a)(i).

(ii) As of the Applicable Date, (A) such Grantor's full legal name is as set forth on Schedule 3.1(a)(ii) and (B) such Grantor has not changed its legal name in the preceding five years, except as set forth on Schedule 3.1(a)(ii).

(iii) Except as set forth on Schedule 3.1(a)(iii), such Grantor has not within the five years preceding the Applicable Date become bound (whether as a result of merger or otherwise) as debtor under a security agreement entered into by another Person, which has not theretofore been terminated.

(iv) Except as set forth on Schedule 3.1(a)(iv), such Grantor has good and valid rights in, and title to, the Collateral with respect to which it has purported to grant the Security Interest, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such Collateral for its intended purposes, and except for Liens expressly permitted pursuant to the Secured Transaction Documents.

(v) All actions and consents, including all filings, notices, registrations and recordings, necessary or desirable to create, perfect or ensure the first priority (subject only to Liens expressly permitted by the Secured Transaction Documents) of the Security Interest in

the Collateral owned or held by it or on its behalf or for the exercise by the Secured Party of any voting or other rights provided for in this Guaranty and Security Agreement or the exercise of any remedies in respect of any such Collateral have been made or obtained or will be made and obtained promptly following the date hereof, (A) except for (1) the filing of UCC financing statements naming such Grantor as "debtor" and the Secured Party as "secured party", or the making of other appropriate filings, registrations or recordings, containing a description of such Collateral in each applicable governmental, municipal or other office specified on Schedule 3.1(a)(v) and (2) the filing, registration or recordation of fully executed security agreements in the form hereof (or in such other form as shall be in all respects satisfactory to the Secured Party) and containing a description of all such Collateral consisting of Patents, Trademarks and Copyrights, together with all other necessary documents, in each applicable governmental registry or office, (B) except for any such Collateral as to which the representations and warranties in this Section 3.1(a)(v) would not be true solely by virtue of such Collateral having been used or disposed of in a manner expressly permitted hereunder or under any other Secured Transaction Document, and (C) except to the extent that such Security Interest may not be perfected by filing, registering, recording or taking any other action in the United States. The filing, in a timely manner, of this Guaranty and Security Agreement and/or the Pledge Agreements¹ with the following governmental bodies is required in order to perfect the security interests granted thereunder:

- The United States Patent and Trademark Office and the United States Copyright Office
- The Israeli Companies Registrar
- The Israeli Patents, Trademarks and Designs Office
- The Israeli Registrar of Pledges
- The Patents, Trademarks and Designs Office of any other jurisdiction.

Subsequent recording and filing with the United States or Israeli Patent and Trademark Office, and the United States Copyright Office and the Israeli Companies Register may be necessary to perfect a Lien on registered patents, trademarks, trademark applications and copyrights acquired by the Company or any of its Subsidiaries after the date hereof.

(vi) Except as set forth on Schedule 3.1(a)(vi), it has not filed or authorized the filing of (A) any financing statement or analogous document under the UCC or any other applicable laws covering any such Collateral, (B) any assignment in which it assigns any such Collateral or any security agreement or similar instrument covering any such Collateral with the United States Patent and Trademark Office or the United States Copyright Office, or (C) any assignment in which it assigns any such Collateral or any security agreement or similar instrument covering any such Collateral with any foreign governmental, municipal or other office, in each case, which financing statement, analogous document, assignment or other

¹ Please provide a copy of any existing Pledge Agreements

instrument, as applicable, is still in effect, except for Liens expressly permitted by the Secured Transaction Documents.

(vii) Following the filing of the Security Interest with the Israeli Companies Registrar, the Israeli Patents, Trademarks and Designs Office and the Israeli Registrar of Pledges, the Security Interest in the Collateral owned or held by it or on its behalf (A) is effective to vest in the Secured Party the rights of the Secured Party in such Collateral as set forth herein and (B) does not violate Regulation T, U or X as of the Applicable Date.

(viii) Immediately after the Applicable Date, (i) the fair value of the assets of the Company and the Subsidiary Guarantors, taken as a whole, at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise, (ii) the present fair saleable value of the property of the Company and the Subsidiary Guarantors, taken as a whole, will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (iii) the Company and the Subsidiary Guarantors, taken as a whole, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured, and (iv) each of the Company and the Subsidiary Guarantors will not have unreasonably small capital with which to conduct the business following such date. The representation in this subsection (viii) is made without giving effect to any debts and obligations of the Company to the Secured Party (including affiliated parties of the Secured Party).

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees as follows:

(i) It will promptly notify the Secured Party in writing of any change (A) in its legal name, (B) in the location of its chief executive office, principal place of business, any office in which it maintains books or records relating to any of the Collateral owned or held by it or on its behalf or, except to the extent permitted by Section 3.1(b)(vii) or Section 3.2, any office or facility at which any such Collateral is located (including the establishment of any such new office or facility), (C) in its identity or legal or organizational structure or its jurisdiction of formation, or (D) in its Federal Taxpayer Identification Number. It agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Secured Party to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral with the priority required hereby.

(ii) It shall maintain, at its own cost and expense, such complete and accurate Records with respect to the Collateral owned or held by it or on its behalf as is consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which it is engaged, but in any event to include complete accounting Records indicating all payments and proceeds received with respect to any part of such Collateral.

(iii) It shall, at its own cost and expense, take any and all actions reasonably necessary to defend title to the Collateral owned or held by it or on its behalf against

all Persons and to defend the Security Interest in such Collateral and the priority thereof against any Lien or other interest not expressly permitted by the Secured Transaction Documents, and in furtherance thereof, it shall not take, or permit to be taken, any action not otherwise expressly permitted by the Secured Transaction Documents that could impair the Security Interest or the priority thereof or the Secured Party's rights in or to such Collateral.

(iv) The Secured Party and such Persons as the Secured Party may designate shall have the right, at the cost and expense of such Grantor, to inspect all of its Records (and to make extracts and copies from such Records), to discuss its affairs with its officers and (to the extent consented to by such independent accountants) independent accountants and to verify under reasonable procedures the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to, the Collateral owned or held by or on behalf of such Grantor, including, in the case of Receivables, Pledged Debt, General Intangibles, Commercial Tort Claims or Collateral in the possession of any third person, by contacting Account Debtors, contract parties or other obligors thereon or any third person possessing such Collateral for the purpose of making such a verification. The Secured Party shall maintain the confidentiality of all such information and shall have the absolute right to share on a confidential basis any information it gains from such inspection or verification with the Secured Party.

(v) At its option, the Secured Party may discharge past due taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Collateral owned or held by or on behalf of such Grantor, and not permitted by the Secured Transaction Documents, and may pay for the maintenance and preservation of such Collateral to the extent such Grantor fails to do so as required by the Secured Transaction Documents, and such Grantor agrees, jointly with the other Grantors and severally, to reimburse the Secured Party on demand for any payment made or any expense incurred by the Secured Party pursuant to the foregoing authorization; provided, however, that nothing in this paragraph shall be interpreted as excusing any Grantor from the performance of, or imposing any obligation on the Secured Party to cure or perform, any covenants or other promises of any Grantor with respect to taxes, assessments, charges, fees, Liens, security interests or other encumbrances and maintenance as set forth herein or in the other Secured Transaction Documents.

(vi) It shall not be excused from liability as a result of granting of the security interest pursuant to this Guaranty and Security Agreement to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Collateral owned or held by it or on its behalf, all in accordance with the terms and conditions thereof and it agrees, jointly with the other Grantors and severally, to indemnify and hold harmless the Secured Party from and against any and all liability for such performance.

(vii) It shall not make, or permit to be made, an assignment, pledge or hypothecation of the Collateral owned or held by it or on its behalf, or grant any other Lien in respect of such Collateral, except as expressly permitted by the Secured Transaction Documents. Except as expressly permitted by the Secured Transaction Documents, it shall not make or permit to be made any transfer of such Collateral, and it shall remain at all times in possession of such Collateral and the direct owner, beneficially and of record, of the Pledged Equity Interests

included in such Collateral, except that (A) Inventory may be sold in the ordinary course of business and (B) unless and until the Secured Party shall notify it that an Event of Default shall have occurred and be continuing and that, during the continuance thereof, it shall not sell, convey, lease, assign, transfer or otherwise dispose of any such Collateral (which notice may be given by telephone if promptly confirmed in writing), it may use and dispose of such Collateral in any lawful manner not inconsistent with the provisions of this Guaranty and Security Agreement or any other Secured Transaction Document.

Section 3.2 Equipment and Inventory

Each of the U.S. Grantors, jointly with the other U.S. Grantors and severally, represents and warrants to the Secured Party that, except for such Equipment and Inventory that does not exceed a book value of \$50,000 in the aggregate for all U.S. Grantors as of the Applicable Date, all of the Equipment and Inventory included in the Collateral owned or held by it or on its behalf (other than mobile goods and Inventory and Equipment in transit) is kept only at the locations specified on Schedule 3.2. In addition, each U.S. Grantor covenants and agrees that it shall not permit any Equipment or Inventory owned or held by it or on its behalf to be in the possession or control of any warehouseman, bailee, agent or processor for a period of greater than one hundred and eighty (180) consecutive days, except for such Equipment or Inventory that (i) was sent to customers for trial or evaluation in the ordinary course of the Company's business, provided that the book value of such Equipment or Inventory does not exceed \$2,000,000 in the aggregate for all U.S. Grantors, (ii) is identified on Schedule 3.2, and/or (iii) is within the possession of the Subsidiaries, unless such warehouseman, bailee, agent or processor shall have been notified of the Security Interest and shall have agreed in writing to hold such Equipment or Inventory subject to the Security Interest and the instructions of the Secured Party and to waive and release any Lien held by it with respect to such Equipment or Inventory, whether arising by operation of law or otherwise.

Section 3.3 Receivables

(a) Representations and Warranties. Each of the U.S. Grantors, jointly with the other U.S. Grantors and severally, represents and warrants to the Secured Party that, except for Receivables valued at less than \$10,000 individually and \$50,000 in the aggregate for all U.S. Grantors, no Receivable is evidenced by an Instrument (other than checks received in the ordinary course of business) or Chattel Paper that has not been delivered to the Secured Party.

(b) Covenants and Agreements. Each U.S. Grantor hereby covenants and agrees that:

(i) At the reasonable request of the Secured Party, it shall mark conspicuously, in form and manner reasonably satisfactory to the Secured Party, all Chattel Paper, Instruments (other than checks received in the ordinary course of business) and other evidence of any Receivables owned or held by it or on its behalf (other than any delivered to the Secured Party as provided herein and other than purchase orders sent to customers), as well as the related Receivables Records, with an appropriate reference to the fact that the Secured Party has a security interest therein.

(ii) It will not, without the Secured Party's prior written consent (which consent shall not be unreasonably withheld), grant any extension of the time of payment of any such Receivable, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any Supporting Obligation or Collateral Support relating thereto, or allow any credit or discount whatsoever thereon, other than extensions, credits, discounts, releases, compromises or settlements granted or made in the ordinary course of business and consistent with its then current practices and in accordance with such practices reasonably believed by such U.S. Grantor to be prudent.

(iii) Except as otherwise provided in this Section and unless otherwise determined by such Grantor in accordance with its good faith business judgment, it shall continue to collect all amounts due or to become due to it under all such Receivables (other than Other Receivables) and any Supporting Obligations or Collateral Support relating thereto, and diligently exercise each material right it may have thereunder, in each case at its own cost and expense, and in connection with such collections and exercise, it shall, upon the occurrence and during the continuance of an Event of Default, take such action as it or the Secured Party may reasonably deem necessary. Notwithstanding the foregoing, the Secured Party shall have the right at any time after the occurrence and during the continuance of an Event of Default to notify, or require such U.S. Grantor to notify, any Account Debtor with respect to any such Receivable, Supporting Obligation or Collateral Support of the Secured Party's security interest therein, and in addition, at any time during the continuation of an Event of Default, the Secured Party may: (i) direct such Account Debtor to make payment of all amounts due or to become due to such U.S. Grantor thereunder directly to the Secured Party and (ii) enforce, at the cost and expense of such U.S. Grantor, collection thereof and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such U.S. Grantor would be able to have done. If the Secured Party notifies such U.S. Grantor that it has elected to collect any such Receivable, Supporting Obligation or Collateral Support in accordance with the preceding sentence, any payments thereof received by such U.S. Grantor shall not be commingled with any of its other funds or property but shall be held separate and apart therefrom, shall be held in trust for the benefit of the Secured Party hereunder and shall be forthwith delivered to the Secured Party in the same form as so received (with any necessary endorsement), and such U.S. Grantor shall not grant any extension of the time of payment thereof, compromise, compound or settle the same for less than the full amount thereof, release the same, wholly or partly, or allow any credit or discount whatsoever thereon.

(iv) It shall use its best efforts to keep in full force and effect any Supporting Obligation or Collateral Support relating to any Receivable.

(v) During the continuance of an Event of Default, at the request of the Secured Party, it shall direct each Account Debtor to make payment on each Receivable to a Blocked Account or the Concentration Account.

Section 3.4 Investment Property

(a) Representations and Warranties. Each of the U.S. Grantors, jointly with the other U.S. Grantors and severally, represents and warrants to the Secured Party that:

(i) Schedule 3.4 sets forth, as of the Applicable Date, (i) all, of the Investment Property (other than (A) Receivables not evidenced by an Instrument or Chattel Paper and (B) Equity Interests with an immaterial value) owned or held by or on behalf of such U.S. Grantor to the extent not held in a Securities Account and (ii) each Securities Account or commodities account maintained by or on behalf of such U.S. Grantor.

(ii) All Pledged Equity Interests have been duly authorized and validly issued and are fully paid and nonassessable, and such U.S. Grantor is the direct owner, beneficially and of record, thereof, free and clear of all Liens (other than Liens expressly permitted by the Secured Transaction Documents).

(iii) All Pledged Debt other than Pledged Debt described on Schedule 3.4 hereto have been duly authorized, issued and delivered and, where necessary, authenticated, and constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, and general equitable principles (whether considered in a proceeding in equity or at law).

(iv) All Investment Property consisting of certificated securities, Chattel Paper or Instruments other than checks received in the ordinary course of business has been delivered to the Account Collateral Agent.

(v) All Pledged Collateral held by a Securities Intermediary in a Securities Account or a commodities account is in a Control Account.

(vi) Other than the Pledged Equity Interests that constitute General Intangibles, there is no Investment Property other than that represented by certificated securities or Instruments in the possession of the Secured Party.

(vii) No Person other than the Account Collateral Agent or an Approved Securities Intermediary has "control" (within the meaning of Article 8 of the UCC) over any Investment Property of such U.S. Grantor.

(b) Registration in Nominee Name; Denominations. Each U.S. Grantor hereby agrees that (i) without limiting Article 5, the Account Collateral Agent, on behalf of the Secured Party, shall have the right (in its sole and absolute discretion) to hold any Investment Property in its own name as pledgee, the name of its nominee (as pledgee or as sub agent) or the name of the applicable U.S. Grantor, endorsed or assigned, where applicable, in blank or in favor of the Account Collateral Agent, for the benefit of the Secured Party, (ii) at the Secured Party's request, such U.S. Grantor will promptly give to the Secured Party copies of any material notices or other communications received by it with respect to any Investment Property registered in its name, and (iii) the Secured Party shall at all times have the right to exchange any certificates, instruments or other documents representing or evidencing any Investment Property owned or held by or on behalf of such U.S. Grantor for certificates, instruments or other documents of smaller or larger denominations for any purpose consistent with this Guaranty and Security Agreement.

(c) Voting and Distributions.

(i) Unless and until an Event of Default shall have occurred and be continuing:

(A) Each U.S. Grantor shall be entitled to exercise any and all voting and/or other consensual rights and powers inuring to an owner of the Investment Property, or any part thereof, for any purpose consistent with the terms of this Guaranty and Security Agreement and the other Secured Transaction Documents; provided, however, that such U.S. Grantor will not be entitled to exercise any such right if the result thereof could materially and adversely affect the rights inuring to a holder of the Investment Property or the rights and remedies of the Secured Party under this Guaranty and Security Agreement or any other Secured Transaction Document or the ability of the Secured Party to exercise the same.

(B) The Account Collateral Agent shall execute and deliver to each U.S. Grantor, or cause to be executed and delivered to each U.S. Grantor, all such proxies, powers of attorney and other instruments as such U.S. Grantor may reasonably request for the purpose of enabling it to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to subsection (c)(i)(A) and to receive the cash payments it is entitled to receive pursuant to subsection (c)(i)(C).

(C) Each U.S. Grantor shall be entitled to receive, retain and use any and all cash dividends, interest and principal paid on the Investment Property owned or held by it or on its behalf to the extent and only to the extent that such cash dividends, interest and principal are not prohibited by, and otherwise paid in accordance with, the terms and conditions of the Securities Purchase Agreement, the other Secured Transaction Documents and applicable laws. All non-cash dividends, interest and principal, and all dividends, interest and principal paid or payable in cash or otherwise in connection with a partial or total liquidation or dissolution, return of capital, capital surplus or paid in surplus, and all other distributions (other than distributions referred to in the preceding sentence) made on or in respect of the Investment Property, whether paid or payable in cash or otherwise, whether resulting from a subdivision, combination or reclassification of the outstanding Pledged Equity Interests in any issuer of any Investment Property or received in exchange for any Investment Property, or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be and become part of the Collateral, and, if received by such U.S. Grantor, shall not be commingled with any of its other funds or property but shall be held separate and apart therefrom, shall be held in trust for the benefit of the Secured Party hereunder and shall be forthwith delivered to the Secured Party in the same form as so received (with any necessary endorsement).

(ii) Without limiting the generality of the foregoing, upon the occurrence and during the continuance of an Event of Default:

(A) Upon the direction of the Secured Party, all rights of each U.S. Grantor to dividends, interest or principal that it is authorized to receive pursuant to subsection (c)(i)(C) shall cease, and all such rights shall thereupon become vested in the Secured Party, which shall have the sole and exclusive right and authority to receive and retain such dividends, interest or principal, as applicable. All dividends, interest and principal received by or on behalf of any U.S. Grantor contrary to the provisions of this Section shall be held in trust for the benefit of the Secured Party, shall be segregated from other property or funds of such U.S. Grantor and shall be forthwith delivered to the Secured Party upon demand in the same form as so received (with any necessary endorsement). Any and all money and other property paid over to or received by the Secured Party pursuant to the provisions of this subsection (c)(ii)(A) shall be retained by the Secured Party in an account to be established in the name of the Secured Party upon receipt of such money or other property and shall be applied in accordance with the provisions of Section 6.2. Subject to the provisions of this subsection (c)(ii)(A), such account shall at all times be under the sole dominion and control of the Secured Party, and the Secured Party shall at all times have the sole right to make withdrawals therefrom and to exercise all rights with respect to the funds and other property from time to time deposited therein or credited thereto as set forth in the Secured Transaction Documents. After all Events of Default have been cured or waived, the Secured Party shall, within five (5) Business Days after all such Events of Default have been cured or waived, repay to the applicable U.S. Grantor all cash dividends, interest and principal (without interest) that such U.S. Grantor would otherwise be permitted to retain pursuant to the terms of subsection (c)(i)(C) and which remain in such account.

(B) Upon the direction of the Secured Party, all rights of each U.S. Grantor to exercise the voting and consensual rights and powers it is entitled to exercise pursuant to subsection (c)(i)(A), and the obligations of the Secured Party under subsection (c)(i)(B), shall cease, and all such rights shall thereupon become vested in the Secured Party, which shall have the sole and exclusive right and authority to exercise such voting and consensual rights and powers, provided that, the Secured Party shall have the right from time to time following and during the continuance of an Event of Default to permit such U.S. Grantor to exercise such rights. After all Events of Default have been cured or waived, the applicable U.S. Grantor will have the right to exercise the voting and consensual rights and powers that it would otherwise be entitled to exercise pursuant to the terms of subsection (c)(i)(A).

(d) Covenants and Agreements. Each U.S. Grantor hereby covenants and agrees as follows:

(i) Each U.S. Grantor agrees that it will not establish or maintain, or permit any other U.S. Grantor to establish or maintain, any Securities Account or commodities account that is not a Control Account.

(ii) In the event (A) any U.S. Grantor or any Approved Securities Intermediary shall, after the date hereof, terminate an agreement with respect to the maintenance of a Control Account for any reason, (B) the Secured Party shall demand the termination of an agreement with respect to the maintenance of a Control Account as a result of the failure of an

Approved Securities Intermediary to comply with the terms of the applicable Control Account Letter, or (C) the Secured Party determines in its sole discretion that the financial condition of an Approved Securities Intermediary has materially deteriorated, such U.S. Grantor agrees to promptly transfer the assets held in such Control Account to another Control Account reasonably acceptable to the Secured Party.

Section 3.5 Letter of Credit Rights

Each of the U.S. Grantors, jointly with the other U.S. Grantors and severally, represents and warrants to the Secured Party that Schedule 3.5 sets forth, as of the Applicable Date, each letter of credit giving rise to a Letter of Credit Right included in the Collateral owned or held by or on behalf of such U.S. Grantor.

Section 3.6 Intellectual Property Collateral

(a) Representations and Warranties. Each of the Grantors, jointly with the other Grantors and severally, represents and warrants to the Secured Party that Schedule 3.6 sets forth, as of the Applicable Date, all of the Patents, Patent Licenses, Trademarks, Trademark Licenses, Copyrights, Copyright Licenses, Trade Secret Licenses and Domain Names included in the Collateral owned or held by or on behalf of such Grantor.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees as follows:

(i) It will not, nor will it permit any of its licensees (or sublicensees) to, do any act, or omit to do any act, whereby any Patent that is related to the conduct of its business may become invalidated or dedicated to the public, and it shall continue to mark any products covered by a Patent with the relevant patent number as necessary and sufficient to establish and preserve its maximum rights under applicable patent laws.

(ii) It will (either directly or through its licensees or its sublicensees), for each Trademark that is necessary for the conduct of its business, (A) maintain such Trademark in full force free from any claim of abandonment or invalidity for non use, (B) maintain the quality of products and services offered under such Trademark, (C) display such Trademark with notice of Federal or other analogous registration to the extent necessary and sufficient to establish and preserve its rights under applicable law, and (D) not knowingly use or knowingly permit the use of such Trademark in violation of any third party's valid and legal rights.

(iii) It will (either directly or through its licensees or its sublicensees), for each work covered by a Copyright that is related to the conduct of its business, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice as necessary and sufficient to establish and preserve its maximum rights under applicable copyright laws.

(iv) It will promptly notify the Secured Party in writing if it knows or has reason to know that any Intellectual Property material to the conduct of its business may

become abandoned, lost or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or the United States Copyright Office, or any similar offices or tribunals in the United States or any other country) regarding such Grantor's ownership of any such Intellectual Property, its right to register the same, or to keep and maintain the same.

(v) In no event shall it, either directly or through any agent, employee, licensee or designee, file an application for any Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office or any similar offices in the United States or any other country, unless it promptly notifies the Secured Party in writing thereof and, upon request of the Secured Party, executes and delivers any and all agreements, instruments, documents and papers as the Secured Party may request to evidence the Secured Party's security interest in such Intellectual Property, and such Grantor hereby appoints the Secured Party as its attorney in fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable.

(vi) It will take all necessary steps that are consistent with the practice in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar offices or tribunals in the United States, Israel and the European Union, and except as otherwise determined in its good faith business judgment, any other country, to maintain and pursue each material application relating to the Intellectual Property owned or held by it or on its behalf (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registered Trademark and Copyright that is material to the conduct of its business, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent, in good faith, with good business judgment, to initiate opposition, interference and cancellation proceedings against third parties. In the event that it has reason to believe that any Intellectual Property material to the conduct of its business has been or is about to be infringed, misappropriated or diluted by a third party, it promptly shall notify the Secured Party in writing and shall, if consistent with good business judgment, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as are appropriate under the circumstances to protect such Intellectual Property.

(vii) During the continuance of an Event of Default, it shall use its best efforts to obtain all requisite consents or approvals by the licensor of each License to effect the assignment (as collateral security) of all of its right, title and interest thereunder to the Secured Party or its designee.

(viii) It shall take all steps reasonably necessary to protect the secrecy of all Trade Secrets relating to the products and services sold or delivered under or in connection with the Intellectual Property owned or held by or on its behalf, including entering into confidentiality agreements with employees and labeling and restricting access to secret information and documents.

(ix) It shall in accordance with its past practices continue to collect all amounts due or to become due to such Grantor under all Intellectual Property, and diligently exercise each material right it may have thereunder, in each case at its own cost and expense, and in connection with such collections and exercise, it shall, upon the occurrence and during the continuance of an Event of Default, take such action as it or the Secured Party may reasonably deem necessary. Notwithstanding the foregoing, the Secured Party shall have the right at any time after the occurrence and during the continuance of an Event of Default to notify, or require such Grantor to notify, any relevant obligors with respect to such amounts of the Secured Party's security interest therein.

Section 3.7 Commercial Tort Claims

(a) Representations and Warranties. Each of the U.S. Grantors, jointly with the other U.S. Grantors and severally, represents and warrants to the Secured Party that Schedule 3.7 sets forth, as of the Applicable Date, all Commercial Tort Claims made by it or on its behalf or to which it otherwise has any right, title or interest.

(b) Covenants and Agreements. Each U.S. Grantor hereby covenants and agrees that promptly after the same shall have been commenced, it shall provide to the Secured Party written notice of any Commercial Tort Claim and any judgment, settlement or other disposition thereof.

Section 3.8 Deposit Accounts; Control Accounts

(a) Representations and Warranties. The only Deposit Accounts maintained by any U.S. Grantor on the Applicable Date are those listed on Schedule 3.8 which sets forth such information separately for each U.S. Grantor.

(b) Covenants and Agreements. Each U.S. Grantor hereby covenants and agrees as follows:

Upon the direction of the Secured Party following the occurrence or during the continuance of an Event of Default, each U.S. Grantor shall cause the financial institution where any Deposit Account is maintained to enter in to a Blocked Account Letter with respect to such Deposit Account, other than any Deposit Account where (1) the amount of cash on deposit in any such account shall not exceed \$50,000 (exclusive of the amounts in accounts for unpaid payroll, payroll taxes and withholding taxes), and (2) the aggregate amount of cash on deposit in all accounts other than the Concentration Account or a Blocked Account shall not exceed \$100,000 (exclusive of the amounts in accounts for unpaid payroll, payroll taxes and withholding taxes).

ARTICLE IV.

FURTHER ASSURANCES

Each Grantor hereby covenants and agrees, at its own cost and expense, to execute, acknowledge, deliver and/or cause to be duly filed all such further agreements,

instruments and other documents (including favorable legal opinions in connection with any Transaction) that may be reasonably requested by the Secured Party, and take all such further actions, that the Secured Party may from time to time reasonably request to preserve, protect and perfect the Security Interest granted by it and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with its execution and delivery of this Guaranty and Security Agreement, the granting by it of the Security Interest and the filing of any financing statements or other documents in connection herewith or therewith. In addition, to the extent permitted by applicable law, each Grantor hereby irrevocably authorizes the Secured Party to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral owned or held by it or on its behalf without the signature of such Grantor and additionally agrees that a photographic or other reproduction of this Guaranty and Security Agreement may be filed with the United States Patent and Trademark Office and/or the United States Copyright Office, as applicable. Each Grantor hereby further irrevocably authorizes the Secured Party to file a Record or Records, including financing statements, in all jurisdictions and with all filing offices that the Secured Party may determine, in its sole and absolute discretion, are necessary, advisable or prudent to perfect the Security Interest granted by it and agrees that such financing statements may describe the Collateral owned or held by it or on its behalf in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner that the Secured Party may determine, in its sole and absolute discretion, is necessary, advisable or prudent to perfect the Security Interest granted by such Grantor, including describing such property as "all assets" or "all personal property."

ARTICLE V.

SECURED PARTY APPOINTED ATTORNEY-IN-FACT

Each Grantor hereby appoints the Secured Party and any officer or agent thereof, as its true and lawful agent and attorney in fact for the purpose of carrying out the provisions of this Guaranty and Security Agreement and taking any action and executing any instrument that the Secured Party may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest, and without limiting the generality of the foregoing, the Secured Party shall have the right, with power of substitution for such Grantor and in such Grantor's name or otherwise, for the use and benefit of the Secured Party, upon the occurrence and during the continuance of an Event of Default and at such other time or times permitted by the Secured Transaction Documents, (i) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral owned or held by it or on its behalf or any part thereof; (ii) to demand, collect, receive payment of, give receipt for, and give discharges and releases of, any of such Collateral; (iii) to sign the name of such U.S. Grantor on any invoice or bill of lading relating to any of such Collateral; (iv) to send verifications of Receivables owned or held by it or on its behalf to any Account Debtor; (v) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on any of the Collateral owned or held by it or on its behalf or to enforce any rights in respect of any of such Collateral; (vi) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to any of such Collateral; (vii) to notify, or to require such U.S. Grantor to notify, Account Debtors and other obligors to make payment directly to the

Secured Party, and (viii) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with any of such Collateral, and to do all other acts and things necessary to carry out the purposes of this Guaranty and Security Agreement, as fully and completely as though the Secured Party were the absolute owner of such Collateral for all purposes; provided, however, that nothing herein contained shall be construed as requiring or obligating the Secured Party to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Secured Party, or to present or file any claim or notice, or to take any action with respect to any of the Collateral or the moneys due or to become due in respect thereof or any property covered thereby, and no action taken or omitted to be taken by the Secured Party with respect to any of the Collateral shall give rise to any defense, counterclaim or offset in favor of such Grantor or to any claim or action against the Secured Party. The provisions of this Article shall in no event relieve any Grantor of any of its obligations hereunder or under the other Secured Transaction Documents with respect to any of the Collateral or impose any obligation on the Secured Party to proceed in any particular manner with respect to any of the Collateral, or in any way limit the exercise by the Secured Party of any other or further right that it may have on the date of this Guaranty and Security Agreement or hereafter, whether hereunder, under any other Secured Transaction Document, by law or otherwise. Any sale pursuant to the provisions of this paragraph shall be deemed to conform to the commercially reasonable standards as provided in Part 6 of Article 9 of the UCC.

ARTICLE VI.

REMEDIES UPON DEFAULT

Section 6.1 Remedies Generally

(a) General Rights. Upon the occurrence and during the continuance of an Event of Default, each Grantor agrees to deliver each item of Collateral owned or held by it or on its behalf to the Secured Party on demand, and it is agreed that the Secured Party shall have the right to take any of or all the following actions at the same or different times to the extent permitted by law: (i) with respect to any Collateral consisting of Intellectual Property or Commercial Tort Claims, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any such Collateral by the applicable Grantors to the Secured Party, or, in the case of Intellectual Property, to license or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any such Collateral throughout the world on such terms and conditions and in such manner as the Secured Party shall determine (other than in violation of any then-existing licensing arrangements to the extent that waivers cannot be obtained), and (ii) with or without legal process and with or without prior notice or demand for performance, to take possession of the Collateral owned or held by it or on its behalf and without liability for trespass to enter any premises where such Collateral may be located for the purpose of taking possession of or removing such Collateral and, generally, to exercise any and all rights afforded to a secured party under the UCC or other applicable law. Without limiting the generality of the foregoing, each Grantor agrees that the Secured Party shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of any of the Collateral owned or held by or on behalf of such Grantor, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Secured Party shall deem appropriate. The Secured Party shall be irrevocably authorized at

any such sale of such Collateral constituting securities (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to Persons who will represent and agree that they are purchasing such Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale, the Secured Party shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of the applicable Grantor, and such Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay, valuation and appraisal which such Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

(b) Sale of Collateral. The Secured Party shall give each Grantor ten (10) days written notice (which such Grantor agrees is reasonable notice within the meaning of Part 6 of Article 9 of the UCC) of the Secured Party's intention to make any sale of any of the Collateral owned or held by or on behalf of such Grantor. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which such Collateral will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Secured Party may fix and state in the notice (if any) of such sale. At any such sale, the Collateral to be sold may be sold in one lot as an entirety or in separate parcels, as the Secured Party may (in its sole and absolute discretion) determine. The Secured Party shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of any of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Secured Party until the sale price is paid by the purchaser or purchasers thereof, but the Secured Party shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by applicable law, private) sale made pursuant to this Section, the Secured Party may bid for or purchase, free (to the extent permitted by applicable law) from any right of redemption, stay, valuation or appraisal on the part of such Grantor (all said rights being also hereby waived and released to the extent permitted by law), any of the Collateral offered for sale and may make payment on account thereof by using any claim then due and payable to the Secured Party from such Grantor as a credit against the purchase price, and the Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to such Grantor therefor. For purposes hereof, (i) a written agreement to purchase any of the Collateral shall be treated as a sale thereof, (ii) the Secured Party shall be free to carry out such sale pursuant to such agreement, and (iii) no Grantor shall be entitled to the return of any of the Collateral subject thereto, notwithstanding the fact that after the Secured Party shall have entered into such an agreement all Events of Default shall have been remedied and the Obligations Paid in Full. As an alternative to exercising the power of sale herein conferred upon it, the Secured Party may proceed by a suit or suits at law or in equity to foreclose upon any of the Collateral and to sell any of the Collateral pursuant to a judgment or decree of a court or courts having competent

jurisdiction or pursuant to a proceeding by a court-appointed receiver. Without limiting the generality of the foregoing, each Grantor agrees as follows: (A) if the proceeds of any sale of the Collateral owned or held by it or on its behalf pursuant to this Article are insufficient to pay all the Obligations, it shall be liable for the resulting deficiency and the fees, charges and disbursements of any counsel employed by the Secured Party to collect such deficiency, (B) it hereby waives any claims against the Secured Party arising by reason of the fact that the price at which any such Collateral may have been sold at any private sale pursuant to this Article was less than the price that might have been obtained at a public sale, even if the Secured Party accepts the first offer received and does not offer such Collateral to more than one offeree, (C) there is no adequate remedy at law for failure by it to comply with the provisions of this Section and that such failure would not be adequately compensable in damages, and therefore agrees that its agreements in this Section may be specifically enforced, (D) the Secured Party may sell any such Collateral without giving any warranties as to such Collateral, and the Secured Party may specifically disclaim any warranties of title or the like, and (E) the Secured Party shall have no obligation to marshal any such Collateral.

Section 6.2 Application of Proceeds of Sale

The Secured Party or the Account Collateral Agent, as applicable, shall apply the proceeds of any collection or sale of the Collateral, as well as any Collateral consisting of cash in accordance with Section 3 of the Intercreditor Agreement.

The Secured Party shall have sole and absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Guaranty and Security Agreement. Upon any sale of the Collateral by the Secured Party (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the purchase money by the Secured Party or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Secured Party or such officer or be answerable in any way for the misapplication thereof.

Section 6.3 Investment Property

In view of the position of each Grantor in relation to the Investment Property, or because of other current or future circumstances, a question may arise under the Securities Act of 1933, as now or hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect (such Act and any such similar statute as from time to time in effect being called the "**Federal securities laws**") with respect to any disposition of the Investment Property permitted hereunder. Each U.S. Grantor understands that compliance with the Federal securities laws might very strictly limit the course of conduct of the Secured Party or the Account Collateral Agent, as applicable, if the Secured Party or the Account Collateral Agent, as applicable, were to attempt to dispose of all or any part of the Investment Property, and might also limit the extent to which or the manner in which any subsequent transferee of any Investment Property could dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Secured Party or the Account Collateral Agent, as applicable, in any attempt to dispose of all or part of the Investment Property under applicable Blue Sky or other state securities laws or similar laws analogous in purpose or effect. Each U.S. Grantor recognizes that in light of such

restrictions and limitations the Secured Party or the Account Collateral Agent, as applicable, may, with respect to any sale of the Investment Property, limit the purchasers to those who will agree, among other things, to acquire such Investment Property for their own account, for investment, and not with a view to the distribution or resale thereof. Each U.S. Grantor acknowledges and agrees that in light of such restrictions and limitations, the Secured Party or the Account Collateral Agent, as applicable, in its sole and absolute discretion, (i) may proceed to make such a sale whether or not a registration statement for the purpose of registering such Investment Property, or any part thereof, shall have been filed under the Federal securities laws and (ii) may approach and negotiate with a single potential purchaser to effect such sale. Each U.S. Grantor acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, the Secured Party or the Account Collateral Agent, as applicable, shall incur no responsibility or liability for selling all or any part of the Investment Property at a price that the Secured Party or the Account Collateral Agent, as applicable, in its discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a single purchaser were approached. The provisions of this Section will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices may exceed substantially the price at which the Secured Party or the Account Collateral Agent, as applicable, sells any such Investment Property.

Section 6.4 Grant of License to Use Intellectual Property

For the purpose of enabling the Secured Party to exercise rights and remedies under this Article, at such time as the Secured Party shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Secured Party an irrevocable, non exclusive license (exercisable without payment of royalty or other compensation to such Grantor) to use, license or sub license any of the Collateral consisting of Intellectual Property now owned or held or hereafter acquired or held by or on behalf of such Grantor, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The use of such license by the Secured Party shall be exercised, at the option of the Secured Party, upon the occurrence and during the continuation of an Event of Default; provided that any license, sub license or other transaction entered into by the Secured Party in accordance herewith shall be binding upon such Grantor notwithstanding any subsequent cure of an Event of Default. Any royalties and other payments received by the Secured Party shall be applied in accordance with Section 6.2.

ARTICLE VII.

REIMBURSEMENT OF SECURED PARTY

Each Grantor agrees, jointly with the other Grantors and severally, to pay to the Secured Party or the Account Collateral Agent, as applicable, the amount of any and all reasonable out-of-pocket expenses, including the fees, other charges and disbursements of counsel and of any experts or agents, that the Secured Party or the Account Collateral Agent, as applicable, may incur in connection with (i) the administration of this Guaranty and Security

Agreement relating to such Grantor or any of its property, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral owned or held by or on behalf of such Grantor, (iii) the exercise, enforcement or protection of any of the rights of the Secured Party hereunder relating to such Grantor or any of its property, or (iv) the failure by such Grantor to perform or observe any of the provisions hereof. Without limitation of its indemnification obligations under the other Secured Transaction Documents, each of the Grantors agrees, jointly with the other Grantors and severally, to indemnify the Secured Party or the Account Collateral Agent, as applicable, and each Related Party thereof (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related out-of-pocket expenses, including reasonable counsel fees, other charges and disbursements, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (a) the execution or delivery by such Grantor of this Guaranty and Security Agreement or any other Secured Transaction Document or any agreement or instrument contemplated hereby or thereby, or the performance by such Grantor of its obligations under the Secured Transaction Documents and the other transactions contemplated thereby or (b) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. Any amounts payable as provided hereunder shall be additional Obligations secured hereby and by the other Secured Transaction Documents. The provisions of this Section shall remain operative and in full force and effect regardless of the termination of this Guaranty and Security Agreement or any other Secured Transaction Document, the consummation of the transactions contemplated hereby or thereby, the repayment of any of the Obligations, the invalidity or unenforceability of any term or provision of this Guaranty and Security Agreement or any other Secured Transaction Document or any investigation made by or on behalf of the Secured Party. All amounts due under this Section shall be payable within ten (10) days of written demand therefor and shall bear interest at the rate of 9.50% per annum.

ARTICLE VIII.

WAIVERS; AMENDMENTS

No failure or delay of the Secured Party in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Secured Party hereunder and under the other Secured Transaction Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Guaranty and Security Agreement or any other Secured Transaction Document or consent to any departure by any Grantor therefrom shall in any event be effective unless the same shall be permitted by this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Grantor in any case shall entitle such Grantor to any other or further notice or demand in similar or other circumstances. Neither this Guaranty and Security Agreement nor any provision hereof may be waived, amended, supplemented or otherwise

modified, or any departure therefrom consented to, except with the affirmative vote or consent of each of the Company and the Secured Party; provided, however, that no such agreement shall waive, amend, supplement or otherwise modify, or consent to a departure to, the rights or duties of the Secured Party hereunder without the prior written consent of the Secured Party.

ARTICLE IX.

SECURITY INTEREST ABSOLUTE

All rights of the Secured Party hereunder, the Security Interest and all obligations of each Grantor hereunder shall be absolute and unconditional irrespective of (i) any lack of validity or enforceability of the Convertible Note, any other Secured Transaction Document, any agreement with respect to any of the Obligations, or any other agreement or instrument relating to any of the foregoing, (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other waiver, amendment, supplement or other modification of, or any consent to any departure from, the Convertible Note, any other Secured Transaction Document or any other agreement or instrument relating to any of the foregoing, (iii) any exchange, release or non-perfection of any Lien on any other collateral, or any release or waiver, amendment, supplement or other modification of, or consent under, or departure from, any guaranty, securing or guaranteeing all or any of the Obligations, or (iv) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor in respect of the Obligations or in respect of this Guaranty and Security Agreement or any other Secured Transaction Document.

ARTICLE X.

TERMINATION; RELEASE

This Guaranty and Security Agreement and the Security Interest shall terminate when the Obligations shall have been finally and indefeasibly Paid in Full. Upon (i) any sale, transfer or other disposition permitted by the Secured Transaction Documents (other than any sale, transfer or other disposition of any Collateral that would, immediately after giving effect thereto, continue to be Collateral but for the release of the Security Interest therein pursuant to this clause) or (ii) the effectiveness of any written consent to the release of the Security Interest in any Collateral pursuant to Article 8, the Security Interest in such Collateral shall be automatically released. In addition, if any of the Pledged Equity Interests in any Subsidiary are sold, transferred or otherwise disposed of pursuant to a transaction permitted by the Secured Transaction Documents and, immediately after giving effect thereto, such Subsidiary or subsidiary, as applicable, would no longer be a Subsidiary or a subsidiary, as applicable, then the obligations of such Subsidiary or subsidiary, as applicable, under this Guaranty and Security Agreement and the Security Interest in the Collateral owned or held by or on behalf of such Subsidiary or such subsidiary, as applicable, shall be automatically released. In connection with any termination or release pursuant to this Section, the Secured Party shall execute and deliver to the applicable Grantor, and hereby authorizes the filing of, at such Grantor's cost and expense, all Uniform Commercial Code termination statements and similar documents that such Grantor may reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Article shall be without recourse to or warranty by the Secured Party.

ARTICLE XI.

ADDITIONAL SUBSIDIARY GUARANTORS AND GRANTORS

Upon execution and delivery after the date hereof by the Secured Party and a Subsidiary of a Supplement, such Subsidiary shall become a Subsidiary Guarantor and an Israeli Grantor or U.S. Grantor, as applicable, hereunder with the same force and effect as of the date of such execution as if originally named as a Subsidiary Guarantor and a U.S. Grantor or Israeli Grantor, as applicable, herein (each an "**Additional Subsidiary Guarantor and Grantor**"). The execution and delivery of any Supplement shall not require the consent of any other Grantor hereunder. The rights and obligations of each Grantor hereunder and each Grantor and other party (other than the Secured Party) under the Secured Transaction Documents shall remain in full force and effect notwithstanding the addition of any Additional Subsidiary Guarantor and Grantor as a party to this Guaranty and Security Agreement.

ARTICLE XII.

ACCOUNT COLLATERAL AGENT

(a) The Secured Party, (i) hereby appoints Existing Secured Party, as the Secured Party's agent for purposes of obtaining and perfecting a security interest in each Grantor's right, title and interest in all (x) Deposit Accounts and Securities Accounts, including all Cash Collateral Accounts and Blocked Account, (y) Investment Property, including all Pledged Collateral and all Control Accounts and (z) Israeli Collateral and (ii) hereby instructs Existing Secured Party, in such capacity, to hold, maintain, control and take enforcement actions with respect to the Deposit Accounts, Securities Accounts, Investment Property and Israeli Collateral in accordance with this Guaranty and Security Agreement and the Intercreditor Agreement. Existing Secured Party hereby accepts such appointment as agent by the Secured Party hereunder and the Existing Holders under the Existing Security Agreement (in such capacity, together with its successors and assigns in accordance with this Article, the "**Account Collateral Agent**").

(b) The Account Collateral Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (i) the Account Collateral Agent shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing, (ii) the Account Collateral Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by this Guaranty and Security Agreement, and (iii) except as expressly set forth herein, the Account Collateral Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of the Subsidiaries that is communicated to or obtained by the Person serving as Account Collateral Agent or any of its Affiliates in any capacity. The Account Collateral Agent shall not be liable for any action taken or not taken by it in the absence of its own gross negligence or willful misconduct. The Account Collateral Agent shall be deemed not to have knowledge of any Event of Default unless and until written notice thereof is given to the Account Collateral Agent by the Company, the Existing Holders or the Secured Party (and, promptly after its receipt of any such notice, it shall give each the Secured Party and the

Company notice thereof), and the Account Collateral Agent shall not be responsible for or have any duty to ascertain or inquire into (a) any statement, warranty or representation made in or in connection with any Secured Transaction Document, (b) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (c) the performance or observance of any of the covenants, agreements or other terms or conditions set forth therein, (d) the validity, enforceability, effectiveness or genuineness thereof or any other agreement, instrument or other document or (e) the satisfaction of any condition set forth in herein, other than to confirm receipt of items expressly required to be delivered to the Account Collateral Agent.

(c) The Account Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Account Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Account Collateral Agent may consult with legal counsel (who may be counsel for the Grantors), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

(d) The Account Collateral Agent may perform any and all its duties and exercise its rights and powers, as provided herein, by or through any one or more sub agents appointed by the Account Collateral Agent, provided that no such delegation shall serve as a release of the Account Collateral Agent or waiver by the Company of any rights hereunder. The Account Collateral Agent and any such sub agent may perform any and all its duties and exercise its rights and powers through their respective affiliates. The exculpatory provisions of the preceding paragraphs shall apply to any such sub agent and to the affiliates of the Account Collateral Agent and any such sub agent, and shall apply to their respective activities acting for the Account Collateral Agent.

(e) Subject to the appointment and acceptance of a successor Account Collateral Agent as provided in this paragraph, the Account Collateral Agent may resign at any time (i) upon its resignation as Existing Secured Party under the Existing Security Agreement or (ii) upon Discharge of the Existing Obligations, unless simultaneously the Obligations are Discharged therewith and (iii) by notifying the Secured Party and the Company. Upon any such resignation, the Secured Party shall have the right to appoint a successor or the Secured Party shall be deemed to be, and shall become, the Account Collateral Agent. Upon the acceptance of its appointment as Account Collateral Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Account Collateral Agent, and the retiring Account Collateral Agent shall be discharged from its duties and obligations hereunder. After the Account Collateral Agent's resignation hereunder, the provisions of this Article shall continue in effect for the benefit of such retiring Account Collateral Agent, its sub agents and their respective affiliates in respect of any actions taken or omitted to be taken by any of them while it was acting as Account Collateral Agent.

(f) The Secured Party acknowledges that it has, independently and without reliance upon the Account Collateral Agent and based on such documents and information as it has

deemed appropriate, made its own credit analysis and decision to enter into the Secured Transaction Documents. The Secured Party also acknowledges that it will, independently and without reliance upon the Account Collateral Agent or any other Investor and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon any Secured Transaction Document, any related agreement or any document furnished thereunder.

ARTICLE XIII.

NOTICES

All notices, requests, demands and other communications to any party hereunder shall be in writing (including facsimile or similar writing) and shall be given to such party at its address or facsimile number set forth below or such other address or facsimile number as such party may hereafter specify by notice to the other parties listed below:

- (a) If to the Company:

6625 The Corners Parkway, Suite 100
Norcross, GA 30092
Telephone: (678) 282-8011
Facsimile: (770) 446-1110
Attention: Tashia L. Rivard, General Counsel

with a copy to:

Warner Norcross & Judd LLP
900 Fifth Third Center
111 Lyon Street, NW
Grand Rapids, MI 49503
Telephone: (616) 752-2137
Facsimile: (616) 222-2137
Attention: Stephen C. Waterbury

- (b) If to a Subsidiary Guarantor: At its address for notices set forth on
Schedule I.

- (c) If to the Secured Party:

Gilo Ventures II, L.P.
61 East Main Street, Suite A
Los Gatos, CA 95030
Telephone: (408) 399-7590
Facsimile: (408) 399-7591
Attention: Dubi Margalit

with a copy to:

Alston & Bird LLP
1201 West Peachtree Street
Atlanta, GA 30309
Telephone: (408) 881-7576
Facsimile: (408) 253-8269
Email: richard.grice@alston.com
Attention: Richard W. Grice, Esq.

Each such notice, request or other communication shall be effective (i) upon receipt (provided, however, that notices received on a Saturday, Sunday or legal holiday or after 6:30 p.m. (New York City time) on any other day will be deemed to have been received on the next Business Day), if given by facsimile transmission, (ii) the Business Day following the date of delivery with a nationally recognized overnight courier service or (iii) if given by any other means, when delivered at the address specified in this Article 13.

ARTICLE XIV.

BINDING EFFECT; SEVERAL AGREEMENT; ASSIGNMENTS

Whenever in this Guaranty and Security Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of any Grantor that are contained in this Guaranty and Security Agreement shall bind and inure to the benefit of each party hereto and its successors and assigns. This Guaranty and Security Agreement shall become effective as to any Grantor when a counterpart hereof executed on behalf of such Grantor shall have been delivered to the Secured Party and a counterpart hereof shall have been executed on behalf of the Secured Party, and thereafter shall be binding upon such Grantor and the Secured Party and their respective successors and assigns, and shall inure to the benefit of such Grantor and the Secured Party, and their respective successors and assigns, except that no Grantor shall have the right to assign its rights or obligations hereunder or any interest herein or in any of the Collateral (and any such attempted assignment shall be void), except as expressly contemplated by this Guaranty and Security Agreement or the other Secured Transaction Documents. This Guaranty and Security Agreement shall be construed as a separate agreement with respect to each of the Grantors and may be amended, supplemented, waived or otherwise modified or released with respect to any Grantor without the approval of any other Grantor and without affecting the obligations of any other Grantor hereunder.

ARTICLE XV.

SURVIVAL OF AGREEMENT; SEVERABILITY

All covenants, agreements, representations and warranties made by the Grantors herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Guaranty and Security Agreement or any other Secured Transaction Document shall be considered to have been relied upon by the Secured Party and shall survive the execution

and delivery of any Secured Transaction Document and the making of any Loan, regardless of any investigation made by the Secured Party or on their behalf, and shall continue in full force and effect until this Guaranty and Security Agreement shall terminate. In the event any one or more of the provisions contained in this Guaranty and Security Agreement or in any other Secured Transaction Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

ARTICLE XVI.

GOVERNING LAW

THIS GUARANTY AND SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

ARTICLE XVII.

COUNTERPARTS

This Guaranty and Security Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which, when taken together, shall constitute but one contract (subject to Article 14), and shall become effective as provided in Article 14. Delivery of an executed counterpart of this Guaranty and Security Agreement by facsimile transmission shall be as effective as delivery of a manually executed counterpart of this Guaranty and Security Agreement.

ARTICLE XVIII.

HEADINGS

Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Guaranty and Security Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Guaranty and Security Agreement.

ARTICLE XIX.

JURISDICTION; VENUE; CONSENT TO SERVICE OF PROCESS

(a) EACH OF THE GRANTORS HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE SUPREME COURT OF THE STATE OF NEW

YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES' DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER COLLATERAL DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT THE SECURED PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AGAINST THE COMPANY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(b) EACH OF THE GRANTORS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY AND SECURITY AGREEMENT OR ANY OTHER SECURED TRANSACTION DOCUMENT IN ANY COURT REFERRED TO IN THE PRECEDING PARAGRAPH (b) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) EACH PARTY TO THIS AGREEMENT IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN ARTICLE 13. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

ARTICLE XX.

WAIVER OF JURY TRIAL

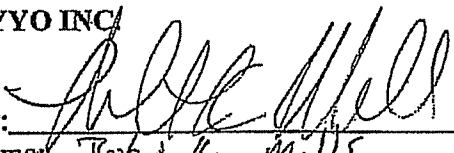
EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTY AND SECURITY AGREEMENT OR ANY OTHER SECURED TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF

LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS GUARANTY AND SECURITY AGREEMENT AND THE OTHER SECURED TRANSACTION DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

[Signature Pages Follow]

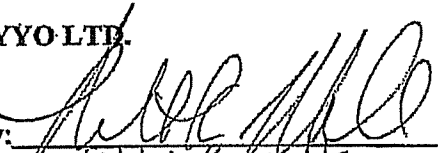
IN WITNESS WHEREOF, the parties hereto have duly executed this Guaranty and Security Agreement as of the day and year first above written.

VYYO INC

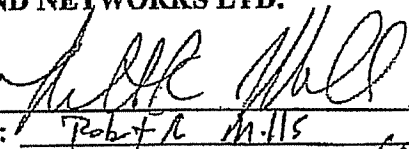
By: 
Name: Robert R. Mills
Title: CEO

FOREIGN SUBSIDIARIES

VYYO LTD.

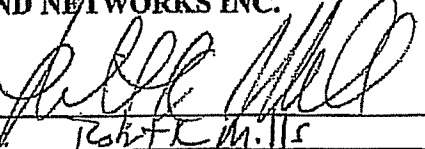
By: 
Name: Robert R. Mills
Title: CEO of Vyyo Inc (Parent Co)

XTEND NETWORKS LTD.

By: 
Name: Robert R. Mills
Title: CEO of Vyyo Inc (Parent Co)

DOMESTIC SUBSIDIARY


XTEND NETWORKS INC.

By: 
Name: Robert R. Mills
Title: CEO of Vyyo Inc (Parent Co)

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]
[SIGNATURE PAGE TO GUARANTY AND SECURITY AGREEMENT
IN FAVOR OF GILO VENTURES II, L.P.]

GILO VENTURES II, L.P.

By: Gilo Ventures, LLC, its general partner

By: 
Name: DOV MARGALIT
Title: _____

**GOLDMAN SACHS INVESTMENT PARTNERS MASTER FUND, L.P., as Account
Collateral Agent**

By: Goldman Sachs Investment Partners GP, LLC, its General Partner

By: _____
Name: _____
Title: _____

[SIGNATURE PAGE TO GUARANTY AND SECURITY AGREEMENT
IN FAVOR OF GILO VENTURES II, L.P.]

GILO VENTURES II, L.P.

By: Gilo Ventures, LLC, its general partner

By: _____
Name: _____
Title: _____

**GOLDMAN SACHS INVESTMENT PARTNERS MASTER FUND, L.P., as Account
Collateral Agent**

By: Goldman Sachs Investment Partners GP, LLC, its General Partner

By: Nick Advani
Name: NICK ADVANI
Title: MANAGING DIRECTOR

[SIGNATURE PAGE TO GUARANTY AND SECURITY AGREEMENT
IN FAVOR OF GILO VENTURES II, L.P.]

VYYO INC.

GUARANTY AND SECURITY AGREEMENT

September 30, 2008

[Note: This Schedule lists bank account numbers at Section 3.8. Please secure this information and treat with confidentiality]

Schedule I

Vyyo Ltd.
4 Ha'Negev St./Airport City
P.O. Box 197
Zip 70100 Ben Gurion Airport

Xtend Networks Ltd.
4 Ha'Negev St./Airport City
P.O. Box 197
Zip 70100 Ben Gurion Airport

Xtend Networks Inc.
c/o Vyyo Inc.
6625 The Corners Parkway, Suite 100
Norcross, GA 30092

Schedule 3.1(a)(i) and (ii)

Name of Grantor	Principal Place Of Business	Jurisdiction of Organization	Federal Employer Identification Number	Company Organizational Number
Vyyo Inc.	Norcross, GA	Delaware, U.S.A.	94-3241270	N/A
Vyyo Ltd.	Airport City, Ben Gurion Airport, Israel	Israel	N/A	510866890
Xtend Networks Ltd.	Airport City, Ben Gurion Airport, Israel	Israel	N/A	512827205
Xtend Networks Inc.	Norcross, GA	Delaware, U.S.A.	82-0557894	N/A

Schedule 3.1(a)(iii)

See details of pledges in Section 3.1(p) (*Title to Assets*) of the Schedule of Exceptions dated the same date as this Schedule and attached hereto as Attachment 1.

Schedule 3.1(a)(iv)

See the following sections of the Schedule of Exceptions:

- Section 3.1(d) (*No Conflicts*) with respect to encryption and encryption equipment approvals required by the Israeli Minister of Defense.
- Section 3.1(g) (*Consents*) with respect to the consents of the Office of the Chief Scientist of the Israeli Ministry of the Ministry of Industry, Trade and Labor.
- Section 3.1(p) (*Title to Assets*) with respect to certain pledges on certain assets of the Grantors.

Schedule 3.1(a)(v)

See details of pledges in Section 3.1(p) (*Title to Assets*) of the Schedule of Exceptions.

Schedule 3.1(a)(vi)

See the following sections of the Schedule of Exceptions:

- Section 3.1(g) (*Consents*) with respect to the consents of the Office of the Chief Scientist of the Israeli Ministry of the Ministry of Industry, Trade and Labor.
- Section 3.1(p) (*Title to Assets*) with respect to certain pledges on certain assets of the Grantors.

Schedule 3.2

- Vyyo Inc., 6625 The Corners Parkway, Suite 100, Norcross, GA 30092
- Vyyo Ltd., 4 Ha/Negev St., Airport City, P.O. Box 197, Ben Gurion Airport, Israel
- UTI Integrated Logistics, 1100 Laval Blvd, Suite 500, Lawrenceville, GA 30043

Schedule 3.4

The Company owns no securities or investment properties.

Section 3.5

The Company does not have any outstanding Letters of Credit.

Schedule 3.6

See attached lists of Patents, Patent Licenses, Trademark and Trademark Licenses. The Grantors have no interest in any Copyrights or Copyright Licenses.

Section 3.7

The Company is not aware of any Commercial Tort Claims.

Vyyo Inc.
Trademark Portfolio

	Serial Number	Filing Date	Registration Number	Reg. Date	Status
Canada	1394877	5/12/2008			Filed
	ULTRABAND				
09	(1) Components for use in coaxial cable networks, namely, signal splitters, signal taps and signal filters.				
	(2) Computer software for telecommunications purposes, namely, for a digital interface for connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network for the delivery of digital information in a high speed electronic format including video, text, and audio content; computer hardware for telecommunications purposes, namely, a digital interface connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network; electronic hardware and software computer interfaces for connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network; fiber optic network equipment, namely optical switches, optical transceivers, wavelength division multiplexing (WDM) combiners, WDM splitters, and WDM selectors for using RF signals in the television bandwidth; computer hardware, namely, optical transmitters, receivers, coaxial fibers, RF amplifiers, quadrature amplitude/phase modulation modems, and amplitude/phase modulators for enabling telecommunications over a hybrid fiber coaxial network.				
Canada	1223613	07/14/2004	700087	11/02/2007	Registered
	VVYO				
09	Computer hardware for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, namely, hubs, modems, bridges, transmitters, converters and cable interface units; computer network management software and telecommunications network management software for wireless telecommunications networks; and manuals sold as a package therewith				
China	200707889	2/12/2007			Filed
	ULTRABAND				
09	components for use in coaxial cable networks, namely splitters, taps and filters				
China	2000114051	07/31/2000	1666284	11/14/2001	Registered
	ULTRABAND				
09	[Computer software for telecommunications purposes, namely, for a digital interface for connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network for the delivery of digital information in a high speed electronic				

**Vyvo Inc.
Trademark Portfolio**

Serial Number	Registration Number	Status
Filing Date <th>Reg. Date</th> <td></td>	Reg. Date	

format including video, text, and audio content; computer hardware for telecommunications purposes, namely, a digital interface connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network; electronic hardware and software computer interfaces for connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network; fiber optic network equipment, namely optical switches, optical transceivers, wavelength division multiplexing (WDM) combiners, WDM splitters, and WDM selectors for using rf signals in the television bandwidth; computer hardware, namely, optical transmitters, receivers, coaxial fibers, rf amplifiers, quadrature amplitude modulation modems, and amplitude/phase modulators for enabling telecommunications over a hybrid fiber coaxial network

ULTRABAND

China

38 Providing telecommunications connections to a global computer network for the delivery of information in a high speed electronic format and for the delivery of video, text, audio content and information over a hybrid coaxial network

2000114052	1723555	Registered
07/31/2000	2/28/2002	
A0007200		Filed
2/12/2007		

VVYO (New Logo)

China

09 Computer hardware and software for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, namely access points, hubs, modems, bridges, transverters, converters, cable interface units, antennas, computer network management software, and telecommunications network management software; telecommunications and data networking hardware, namely devices for transporting and aggregating voice, data, and video communications across multiple network infrastructures and communications protocols; cable broadcast transmission machines and apparatus; cable modems, cable splitters, cable taps, cable filters, access concentrators; and manuals sold as a package therewith

ULTRABAND

Community Trademark

09 Components for use in coaxial cable networks, namely splitters, taps and filters

A0007199	917040	Registered
2/12/2007	4/18/2007	
07/26/2000	11/02/2002	
1776228		Registered

ULTRABAND

Community Trademark

**Vyyo Inc.
Trademark Portfolio**

	Serial Number	Registration Number	Status
	Filing Date	Reg. Date	
09	A0007200	941609	Registered
	2/12/2007	2/12/2007	
Community Trademark			
09			Registered
Computer hardware and software for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, namely access points, hubs, modems, bridges, transverters, converters, cable interface units, antennas, computer network management software, and telecommunications network management software; telecommunications and data networking hardware, namely devices for transporting and aggregating voice, data, and video communications across multiple network infrastructures and communications protocols; cable broadcast transmission machines and apparatus; cable modems, cable splitters, cable taps, cable filters, access concentrators; and manuals sold as a package therewith			
India	1253982	1253982	Registered
	12/08/2003	10/27/2005	
09			Registered
Computer hardware for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, namely, hubs, modems, bridges, transverters, converters and cable interface units; computer network management software and telecommunications network management software for wireless telecommunications networks; and manuals sold as a package therewith			
VYYÖ (w/ Umlaut)	D00 2004.00837	IDM000046677	Registered
	01/13/2004	08/15/2005	
Indonesia			Registered
09			Registered
Computer hardware for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, namely, hubs, modems, bridges, transverters, converters and cable interface units; computer network management software and telecommunications network management software for wireless telecommunications networks; and			
38			Registered
Telecommunications software and hardware for an all digital ethernet over a hybrid fiber passive coaxial network; electronic hardware and software interfaces between a digital network and home content accessing devices; a fiber optic network using RF signals in the television bandwidth; optical transmitters, receivers, coaxial fibers, RF amplifiers, quadrature amplitude/phase modulation modems, and amplitude/phase modulators.			
Communication services, including, the delivery of information in a high speed electronic format and the delivery of video, text, audio content and information over a digital fiber passive coaxial network.			

**Vyvo Inc.
Trademark Portfolio**

	Serial Number	Filing Date	Registration Number	Reg. Date	Status
					Registered
	197840	2/13/2007	197840	8/6/2008	Registered
ULTRABAND					
Israel					
09					
					Registered
VVYO (New Logo)					
Israel					
09					
					Registered
VVYO					
Israel					
09					
					Registered
ULTRABAND					
Japan					
09					
					Registered
ULTRABAND					
Japan					
09					
					Registered

manuals sold as a package therewith

Components for use in coaxial cable networks, namely splitters, taps and filters

Computer hardware and software for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, namely access points, hubs, modems, bridges, transmitters, converters, cable interface units, antennas, computer network management software, and telecommunications network management software; telecommunications across multiple network infrastructures and communications protocols; cable broadcast transmission machines and apparatus; cable modems, cable splitters, cable taps, cable filters, access concentrators; and manuals sold as a package therewith

Computer hardware for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, namely, hubs, modems, bridges, transmitters, converters and cable interface units; computer network management software and telecommunications network management software for wireless telecommunications networks; and manuals sold as a package therewith

Components for use in coaxial cable networks, namely splitters, taps and filters

2000084393

4714170

Registered

**Vyyo Inc.
Trademark Portfolio**

Serial Number	Registration Number	Status
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Japan

07/31/2000

10/3/2003

- 09 Telecommunications software and hardware for an all digital ethernet over a hybrid fiber passive coaxial network; electronic hardware and software interfaces between a digital network and home content accessing devices; a fiber optic network using RF signals in the television bandwidth; optical transmitters, receivers, coaxial fibers, RF amplifiers, quadrature amplitude/phase modulation modems, and amplitude/phase modulators.
- 38 Communication services, including, the delivery of information in a high speed electronic format and the delivery of video, text, audio content and information over a digital fiber passive coaxial network.

VVYO (New Logo)

A0007200 (IR 941609)

Filed

Japan

2/12/2007

- 09 Computer hardware and software for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, namely access points, hubs, modems, bridges, transverters, converters, cable interface units, antennas, computer network management software, and telecommunications network management software; telecommunications and data networking hardware, namely devices for transporting and aggregating voice, data, and video communications across multiple network infrastructures and communications protocols; cable broadcast transmission machines and apparatus; cable modems, cable splitters, cable taps, cable filters, access concentrators; and manuals sold as a package therewith

ULTRABAND

40200226646

400562405

Registered

Korea (Republic of)

06/08/2002

10/10/2008

- 09 Computer software for telecommunications purposes, namely, for a digital interface for connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network for the delivery of digital information in a high speed electronic format including video, text, and audio content; computer hardware for telecommunications purposes, namely, a digital interface connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network; electronic hardware and software computer interfaces for connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network; fiber optic network equipment, namely optical switches, optical transceivers, wavelength division multiplexing (WDM) combiners, WDM splitters, and WDM selectors for using rf signals in the television bandwidth; computer hardware, namely, optical transmitters, receivers, coaxial fibers, rf amplifiers, quadrature amplitude/phase modulation modems, and amplitude/phase modulators for enabling telecommunications over a hybrid fiber coaxial network

**Vyyo Inc.
Trademark Portfolio**

	Serial Number	Filing Date	Registration Number	Reg. Date	Status
ULTRABAND	A0007199	02/12/2007	917040	2/12/2007	Registered
Madrid Protocol					
09	Components for use in coaxial cable networks, namely splitters, taps and filters				
VVYO (New Logo)	A0007200	02/12/2007	941609	2/12/2007	Registered
Madrid Protocol					
09	Computer hardware and software for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, namely access points, hubs, modems, bridges, transverters, converters, cable interface units, antennas, computer network management software, and telecommunications network management software; telecommunications and data networking hardware, namely devices for transporting and aggregating voice, data, and video communications across multiple network infrastructures and communications protocols; cable broadcast transmission machines and apparatus; cable modems, cable splitters, cable taps, cable filters, access concentrators; and manuals sold as a package therewith				
VVYO	2003/16057	11/28/2003	03016057	09/28/2007	Registered
Malaysia					
09	Computer hardware for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, namely, hubs, modems, bridges, transverters, converters and cable interface units; computer network management software and telecommunications network management software for wireless telecommunications networks; and manuals sold as a package therewith				
ULTRABAND	533227	02/19/2002	740901		Registered
Mexico					
09	Computer software for telecommunications purposes, namely, for a digital interface for connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network for the delivery of digital information in a high speed electronic format including video, text, and audio content; computer hardware for telecommunications purposes, namely, a digital interface connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network; electronic hardware and software computer interfaces for connecting home content accessing devices with a global computer network over a hybrid fiber				

**Vyvo Inc.
Trademark Portfolio**

Serial Number	Registration Number	Status
Filing Date	Reg. Date	

coaxial network; fiber optic network equipment, namely optical switches, optical transceivers, wavelength division multiplexing (WDM) combiners, WDM splitters, and WDM selectors for using rf signals in the television bandwidth; computer hardware, namely, optical transmitters, receivers, coaxial fibers, rf amplifiers, quadrature amplitude/phase modulation modems, and amplitude/phase modulators for enabling telecommunications over a hybrid fiber coaxial network

VVYO

Russian Federation

09 Computer hardware for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, namely, hubs, modems, bridges, transverters, converters and cable interface units; computer network management software and telecommunications network management software for wireless telecommunications networks; and manuals sold as a package therewith

2004715211

290426

Registered

07/07/2004

06/09/2005

ULTRABAND

Singapore

09 Components for use in coaxial cable networks, namely splitters, taps and filters

T0708024A

917040

Registered

2/12/2007

7/8/2007

VVYO (New Logo)

Singapore

09 Computer hardware and software for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, namely access points, hubs, modems, bridges, transverters, converters, cable interface units, antennas, computer network management software, and telecommunications network management software; telecommunications and data networking hardware, namely devices for transporting and aggregating voice, data, and video communications across multiple network infrastructures and communications protocols; cable broadcast transmission machines and apparatus; cable modems, cable splitters, cable taps, cable filters, access concentrators; and manuals sold as a package therewith

T0722496J

941609

Published

2/12/2007

ULTRABAND

Taiwan

38 Providing telecommunications connections to a global computer network for the delivery of information in a high speed electronic

8942369

142387

Registered

07/24/2000

5/1/2001

Vyvo Inc.

Trademark Portfolio

Serial Number	Registration Number	Status
Filing Date	Reg. Date	

format and for the delivery of video, text, audio content and information over a hybrid coaxial network

ULTRABAND

Taiwan
09

[Computer software for telecommunications purposes, namely, for a digital interface for connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network for the delivery of digital information in a high speed electronic format including video, text, and audio content; computer hardware for telecommunications purposes, namely, a digital interface connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network; electronic hardware and software computer interfaces for connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network; fiber optic network equipment, namely optical switches, optical transceivers, wavelength division multiplexing (WDM) combiners, WDM splitters, and WDM selectors for using rf signals in the television bandwidth; computer hardware, namely, optical transmitters, receivers, coaxial fibers, rf amplifiers, quadrature amplitude/phase modulation modems, and amplitude/phase modulators for enabling telecommunications over a hybrid fiber coaxial network]

8942368	989542	Registered
07/24/2000	3/16/2002	

VYVO

Thailand

09

1. Computer hardware for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, 2. namely hubs, 3. modems, 4. bridges, 5. transmitters, 6-7. converters and cable interface units; 8-9. computer network management software and telecommunications network management software for wireless telecommunications networks

538771	TM204604	Registered
12/09/2003	10/14/2004	

LMDS LITE

United States

09

Computer hardware and software for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, namely hubs, modems, bridges, transmitters, converters, cable interface units, computer network management software, and telecommunications network management software; and manuals sold as a package therewith

76017626	2542365	Registered
4/4/2000	2/26/2002	

Vyvo Inc.

Trademark Portfolio

Serial Number	Filing Date	Registration Number	Reg. Date	Status
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ULTRABAND

United States

09 components for use in coaxial cable networks, namely splitters, taps and filters

78917360

6/26/2006

Published

ULTRABAND

United States

09 Computer software for telecommunications purposes, namely, for a digital interface for connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network for the delivery of digital information in a high speed electronic format including video, text, and audio content; computer hardware for telecommunications purposes, namely, a digital interface connecting home content accessing devices with a global computer network over a hybrid fiber coaxial network; electronic hardware and software computer interfaces for connecting home content accessing devices with a hybrid fiber coaxial network over a hybrid fiber coaxial network; fiber optic network equipment, namely optical switches, optical transceivers, wavelength division multiplexing (WDM) combiners, WDM splitters, and WDM selectors for using rf signals in the television bandwidth; computer hardware, namely, optical transmitters, receivers, coaxial fibers, rf amplifiers, quadrature amplitude/phase modulation modems, and amplitude/phase modulators for enabling telecommunications over a hybrid fiber coaxial network

75983323

2779871

11/04/2003

Registered

VVYO (New Logo)

United States

09 Computer hardware and software for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer network management software, namely access points, hubs, modems, bridges, transverters, converters, cable interface units, antennas, computer network management software, and telecommunications network management software; telecommunications and data networking hardware, namely devices for transporting and aggregating voice, data, and video communications across multiple network infrastructures and communications protocols; cable broadcast transmission machines and apparatus; cable modems, cable splitters, cable taps, cable filters, access concentrators; and manuals sold as a package therewith

78917703

3304697

6/27/2006

10/2/2007

Registered

VVYO (Stylized)

United States

09 Computer hardware for use as wireless telecommunications devices in local area computer networks, wide area computer networks,

76065755

2430117

6/8/2000

2/20/2001

Registered

**Vyyo Inc.
Trademark Portfolio**

	Serial Number	Registration Number	Status
	Filing Date	Reg. Date	
	76017537	2430035	Registered
United States	4/4/2000	2/20/2001	
09	Computer hardware for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, namely hubs, modems, bridges, transverters, converters and cable interface units; computer network management software and telecommunications network management software for wireless telecommunications networks; and manuals sold as a package therewith		
VYVO	4-2003-11348	62922	Registered
Vietnam	12/09/2003	05/23/2005	
09	Computer hardware for use as wireless telecommunications devices in local area computer networks, wide area computer networks, and global computer networks, namely, hubs, modems, bridges, transverters, converters and cable interface units; computer network management software and telecommunications network management software for wireless telecommunications networks; and manuals sold as a package therewith		

File	App. No.	App. Date	Company	Patent No.	Patent Date	Inventors	Status of Application	Description (US Ultraband dockets highlighted; same description applies to adjacent rows with same base docket number)
UPDATED 20 SEP 2008								
P-7499-US	09/013,916	27-Jan-98	Vyvo LTD	6,112,232	28-Aug-00	Mamashah Shahar, Hillel Hendler, Chude Albo	Issued	T1: A symmetric full duplex data communication device known as a communication interface unit (CIU) permitting transmission of signals on CATV infrastructure or on amplitude modulated (AM) analog fiber in a variety of configurations.
P-7499-CA	2,591,998	19-Dec-05	Xtend Networks LTD			Zeev Orbach, Hillel Weinstein	Pending	See: P-7499-US
P-7499-SG	200704608-9	19-Dec-05	Xtend Networks LTD			Zeev Orbach, Hillel Weinstein	Pending	See: P-7499-US
P-7499-US	11/311,311	20-Dec-05	Xtend Networks LTD			Zeev Orbach, Hillel Weinstein	Pending	UltraBand: Capacity expansion for HFC distribution networks by addition of optical fiber strand(s) in coaxial leg of HFC network and optical/coaxial interface, generally nearer subscriber, to deliver expanded services via coaxial connection, with reference to spectrum overlay.
P-7569-EP	5703135.3	25-Jan-05	Xtend Networks LTD			Hillel Weinstein, Yesheyahu Strull, Zeev Orbach	Pending	See: P-7569-US
P-7569-IL	160035	25-Jan-04	Xtend Networks LTD			Hillel Weinstein, Shai Strull, Zeev Orbach	Pending	See: P-7569-US
P-7569-US	11/041,905	25-Jan-05	Xtend Networks LTD			Hillel Weinstein, Yesheyahu Strull, Zeev Orbach	Pending	UltraBand: Premise attachment methods/devices for consumption of UltraBand-delivered broadband services, in particular the Vyvo XTB device - premise block division multiplex device.
P-7579-CA	2,822,987	11-Sep-08	Xtend Networks LTD			STRULL YESHAYAHU, DEGTYAREV OLGA, MEIRI YOSSEI	Pending	See: P-7579-US
P-7579-EP	6786078.1	11-Sep-08	Xtend Networks LTD			Yesheyahu Strull, Olga Degtyarev, Yossi Meir	Pending	See: P-7579-US
P-7579-US	11/223,102	12-Sep-08	Xtend Networks LTD			Yesheyahu Strull, Olga Degtyarev, Yossi Meir	Pending	UltraBand: selective processing of signals in a HFC coaxial network segment, where AC power, Legacy RF and UltraBand RF signals are divided by frequency range and processed independently.
P-7624-CA	2,894,987	11-Jan-08	Vyvo INC			Boris Isaharov	Pending	See: P-7624-US
P-7624-CN	20080004678.00	11-Jan-08	Vyvo INC			Boris Isaharov	Pending	See: P-7624-US
P-7624-EP	6703082.4	11-Jan-08	Vyvo INC			ASSIA, RAUL, RAZMAT, LEV SWERY, NEAN, KEDEM, ORAN, BEN-SIMON, Yehuda, ZEVI, Sara	Pending	See: P-7624-US
P-7624-SG	200705215-2	11-Jan-08	Vyvo INC			Boris Isaharov	Pending	See: P-7624-US
P-7624-US	11/794,734	5-Jul-07	Vyvo INC			Raul Assia, Lev Razmat, Noam Swery, Oren Kedem, Yehuda Ben-Simon, Sara	Pending	SHOULD BE HIGHLIGHTED: T1: Synchronous data transmission on RF channel
P-7641-IL	131192	1-Aug-98	Xtend Networks LTD			Hillel Weinstein, Zeev Orbach	Pending	See: P-7641-US
P-7641-US	10046538	24-Jun-00	Xtend Networks LTD			Hillel Weinstein, Zeev Orbach	Pending	SHOULD BE HIGHLIGHTED: Other Digital feed on analog television signal (non-Ultraband)
P-7645-EP	2727999.1	2-May-02	Xtend Networks LTD			Yesheyahu Strull, Oleg Douravsky, Eli Barshishat	Pending	See: P-7645-US
P-7645-IL	164745	2-May-02	Xtend Networks LTD			Shai Strull, Oleg Douravsky, Eli Barshishat	Pending	See: P-7645-US

File	App. No.	App. Date	Company	Patent No.	Patent Date	Inventors	Status of Application	Description (US Ultraband dockets highlighted; same description applies to adjacent rows with same base docke
P-7645-US	10/513,214	1-Nov-04	Xtend Networks LTD	7,138,868	21-Nov-08	Yeshayahu Strull, Oleg Dournevsky, El Bershtal	Issued	Ultraband: (GRANTED US 7,138,868). Signal splitter device (the basis of Vvyo splitters, directional couplers and taps) based on design that processes Legacy and Ultraband frequency ranges through separate underlying directional coupler or splitter circuits).
P-7645-US2	11/802,684	25-Sep-07	(no assignment has been filed yet)			Yeshayahu Strull, Oleg Dournevsky, El Bershtal	Pending	Ultraband: Signal splitter device (the basis of Vvyo splitters, directional couplers and taps) based on design that processes Legacy and Ultraband frequency ranges through separate underlying directional coupler or splitter circuits).
P-7646-EP	4253578.1	15-Jun-04	Xtend Networks LTD			Hillel Weinstein, Zeev Orbach, Yehelahu Strull	Pending	See: P-7646-US
P-7646-IL	157285	6-Aug-03	Xtend Networks LTD			Hillel Weinstein, Shai Strull, Zeav Orbach	Pending	See: P-7646-US
P-7646-US	10/882,052	14-Jul-04	Xtend Networks LTD			Hillel Weinstein, Zeav Orbach, Yehelahu Strull	Pending	Ultraband: Signal splitter device (the basis of Vvyo splitters, directional couplers and taps) based on design that processes Legacy and Ultraband frequency ranges through separate underlying directional coupler or splitter circuits).
P-7649-EP	4253439.6	10-Jun-04	Xtend Networks LTD			Hillel Weinstein, Yehelahu Strull, Oleg Dournevsky	Published	See: P-7649-US
P-7649-IL	154673	27-Feb-03	Xtend Networks LTD	154,673	7-Apr-08	Hillel Weinstein	Registered	See: P-7649-US
P-7649-US	10/869,578	16-Jun-04	Xtend Networks LTD			Hillel Weinstein, Yeshayahu Strull, Oleg Dournevsky	Pending	Ultraband: HFC Node device (fiber/coax outside plant transmission device) consisting of WDM (multi-wavelength) optical processing of Ultraband-based services, optical processing of legacy-band services, and generation of integrated coaxial signal at output.
P-7648-US1	12/069,972	2-Jul-08	(no assignment has been filed yet)			Oleg Dournevsky, Hillel Weinstein, Yeshayahu Strull	Pending	Ultraband: HFC Node device (fiber/coax outside plant transmission device) consisting of WDM (multi-wavelength) optical processing of Ultraband-based services, optical processing of legacy-band services, and generation of integrated coaxial signal at output.
P-7650-US	10/535,822	23-May-06	Xtend Networks LTD			Yehzkel Alberg, Zeav Orbach, Yehelahu Strull, Hillel Weinstein	Pending	Ultraband: Architectural description of system for expansion of coaxial network bandwidth/spectrum capacity through use of expanded frequency headroom; the amplifiers, taps and customer premise equipment, including Phase Locked Frequency Synchronization
P-7653-US	10/497,004	18-Nov-04	Xtend Networks LTD	7,209,487	24-Apr-07	Hillel Weinstein, Zeav Orbach	Issued	Ultraband: (GRANTED US 7,209,487). Mechanism for de-multiplexing Ultraband service signal band incrementally along a coaxial network, e.g., with partial demultiplexing at each active device location in cascade, primarily for purpose of increasing narrowcast capacity of HFC network.
P-7653-US2	12/082,433	3-Apr-08	(no assignment has been filed yet)			Hillel Weinstein, Zeav Orbach	Pending	Ultraband: Mechanism for de-multiplexing Ultraband service signal band incrementally along a coaxial network, e.g., with partial demultiplexing at each active device location in cascade, primarily for purpose of increasing narrowcast capacity of HFC network.
P-7654-EP	01908092.8-2223	27-Feb-01	Xtend Networks LTD	1,342,372	20-Jun-07	Hillel Weinstein, Zeav Orbach	Granted	See: P-7654-US1
P-7654-GB	01908092.8-2223	27-Feb-01	Xtend Networks LTD	1,342,372	20-Jun-07	Hillel Weinstein, Zeav Orbach	Granted	See: P-7654-US1
P-7654-IL	155440	17-Feb-01	Xtend Networks LTD			Hillel Weinstein, Zeav Orbach	Pending	See: P-7654-US1
P-7654-US1	11/841,912	20-Aug-07	(no assignment has been filed yet)			Hillel Weinstein, Zeav Orbach	Pending	Ultraband: Components, systems and architectural definition of Ultraband system including frequency-selective signal processing and specific circuit designs for the purpose of frequency-selective signal processing.
P-7655-EP	19838393.2	21-Aug-01	Xtend Networks LTD			Hillel Weinstein, Zeav Orbach	Pending	TO BE DELETED. See: P-7655-US
P-7656-EP	2735841.3	30-May-02	Xtend Networks LTD			ALBERG, Yehzkel STRULL, Yehelahu WEINSTEIN, Hillel, ORBACH, Zeav	Pending	See: P-7656-US
P-7656-IL	164744	30-May-02	Xtend Networks LTD			Hezi Elberg	Pending	See: P-7656-US
P-7656-US	10/513,538	21-Jun-05	Xtend Networks LTD			Yehzkel Alberg, Yeshayahu Strull, Hillel Weinstein, Zeav Orbach	Pending	Ultraband: Components, systems and architectural definition of Ultraband system including frequency-selective signal processing and specific circuit designs for the purpose of frequency-selective signal processing.

File	App. No.	App. Date	Company	Patent No.	Patent Date	Inventors	Status of Application	Description (US Ultraband dockets highlighted; same description applies to adjacent rows with same base docket number)
P-7078-US	11/031,586	28-Mar-05	Xend Networks Ltd.			Ron Shani, Yashayahu Strul, Sarlon Kofman	Pending	Ultraband: Components, systems and architectural definition of Ultraband system including frequency-selective signal processing and specific circuit designs for the purpose of frequency-selective signal processing.
P-8031-CA	2,591,993	20-Dec-05	Xend Networks LTD			INBAR ZHARI, INBAR HANNA, BURSTEIN AMIR, ORBACH ZEVI	Pending	See P-8031-US
P-8031-SG	200704612-1	20-Dec-05	Xend Networks LTD			Hannah INBAR, Amir Bursteln, Zharl INBAR, Zeev ORBACH	Pending	See P-8031-US
P-8031-US	11/311,937	20-Dec-05	Xend Networks LTD			Hanna Inbar, Amir Bursteln, Zharl Inbar, Zeev Orbach	Pending	Ultraband: Optical/coaxial node device and system enabled to carry Ultraband downstream and upstream signals including multi-color (wave division multiplexing) treatment of signal groups.
P-8144-US	09/771,015	26-Jan-01	Vyvo INC	7,927,776	11-Apr-08	Eric K. Wilson, Hilla Hendler, Raul Asis	Issued	Wireless: A system and method for controlling a transverter from a wireless modem unit (WMLU).
P-8145-US	09/771,200	26-Jan-01	Vyvo Ltd.	7,123,850	17-Oct-08	Raul Asis, Jehuda Ben Simon, Amnon Jones, Oren Mizrahi, Jack Bellan, Yaron Fishler, Eric K. Wilson	Issued	Wireless: A method for correcting for the offset carrier frequency in a wireless modem is provided. The method further allows for the periodic correction of the offset of the carrier frequency.
P-8148-US	09/771,224	26-Jan-01	Vyvo INC	6,941,118	6-Sep-09	Hilla Hendler, Eric K. Wilson	Issued	Wireless: A low cost redundancy scheme for the radio frequency front end of a wireless hub that requires a minimum number of down converters and upstream receivers to implement.
P-8147-US	09/771,328	26-Jan-01	Vyvo INC	6,488,821	24-Dec-02	JONAS, Amnon-ALBO, Claude	Issued	Wireless: Spatially diverse signals are simultaneously demodulated and error corrected providing statistically independent data. S
P-8148-US	09/771,162	26-Jan-01	Vyvo INC	6,940,833	6-Sep-05	Amnon Jones, Menashe Shahar	Issued	Wireless: A two dimensional scheduler integrates the allocation of both the time domain and the channel domain for upstream communication in a broadband wireless access system.
P-8149-US	09/771,328	26-Jan-01	Vyvo LTD	7,359,434	15-Apr-09	SHAHAR, Menashe, JONAS, Amnon	Issued	Wireless: A system and method for communication between a wireless modem and wireless hub on a selected downstream channel of a plurality of downstream channels is provided.
P-8150-US	09/771,165	26-Jan-01	Vyvo INC	6,955,768	15-Feb-05	Arkadi Belostotsky, Baruch Teiman	Issued	Wireless: A dynamic quality of service maintenance system for use with a broadband wireless or cable access system comprising a plurality of wireless modems and a wireless hub, the dynamic quality of service maintenance system maintaining adequate bandwidth for the wireless modems based upon the services provided to the wireless modems by the Wireless: A system and method for remote maintenance and service of one or more wireless modems in communication with a wireless hub is provided.
P-8151-US	09/771,168	26-Jan-01	Vyvo INC	6,594,467	15-Jul-03	Raul Asis, Jack Bellan, Yaron Fishler, Oded Stern, Edd Shensifi, Avraham Bernstein	Issued	Wireless: A wireless modem contains a power inserter circuit along with the traditional modem components. The power inserter circuit isolates the modem components from DC power that is inserted on the coaxial cable to a transverter.
P-8153-US	09/771,032	26-Jan-01	Vyvo Ltd.	6,976,834	5-Apr-05	Eric K. Wilson	Issued	Wireless: A method for distributing the QoS processing in a broadband access system to the system modems and the head-end equipment.
P-8154-US	09/771,225	26-Jan-01	Vyvo Ltd.	7,146,188	12-Dec-06	Eric K. Wilson	Issued	Wireless: A method for distributing the QoS processing in a broadband access system to the system modems and the head-end equipment.
P-8156-US	09/809,592	14-Mar-01	Vyvo LTD	7,289,715	20-Nov-07	HENDLER, Hilla	Issued	Wireless: The present invention provides a technique to reduce the number of RF components by using digital signal processing functions in wireless receivers having two or more antennas, which results in the reduction of system cost.
P-8157-US	09/801,148	7-Mar-01	Vyvo INC	6,987,754	17-Jan-08	Menashe Shahar, Raul Asis, Amnon Jones, Yonatan Manor	Issued	Wireless: A system and method for adaptive modulation of downstream communication between a wireless hub and a wireless modem on a selected downstream channel is provided.
P-71291-US	811/00,543	28-Sep-08	Xend Networks LTD (assignment was not filed)			Yehezkel Abisg	Pending Provisional	Ultraband: Power passing coupler - basis for developmental flat passive taps

VYYO INC.

SECURITIES PURCHASE AGREEMENT

September 30, 2008

Schedule of Exceptions

This Schedule of Exceptions sets forth certain exceptions to the representations and warranties of Vyyo Inc. (the "Company") in the Senior Secured Convertible Note dated as of the date hereof in the aggregate principal amount of \$1,400,000 (as amended, supplemented or otherwise modified, the "Gilo Note") executed by the Company in favor of Gilo Ventures II, L.P. ("Gilo Ventures"), which incorporates by reference the representations and warranties set forth in the Securities Purchase Agreement that was executed by the Company, Goldman Sachs Investment Partners Master Fund, L.P. ("Goldman") and Syntek Capital AG ("Syntek") as of June 13, 2008 (the "Agreement"). The section references below are for convenience only, and, except as otherwise specified, each disclosure in this Schedule of Exceptions shall be deemed to be an exception to every representation and warranty of the Company contained in the Agreement. Some of the information provided below is not necessarily material to the Company's operations or financial position, but is being provided for informational purposes.

Under the \$38,000,000 Senior Secured Convertible Note delivered to Goldman and the \$3,000,000 Senior Secured Convertible Note delivered to Syntek, each issued June 13, 2008 (the "2008 Notes"), the Gilo Note by its terms conflict with various portions of the 2008 Notes and related documents and potentially constitutes an event of default thereunder. Gilo Ventures acknowledges and agrees that the Company has no obligation to disclose exceptions to representations and warranties to the extent those exceptions relate to the 2008 Notes.

Section 3.1(a) Organization and Qualification

- The Company is qualified to do business in the following states: California, Colorado, Georgia and North Carolina.
- Xtend Networks Inc. is qualified to do business in the following states: California and Georgia.
- The "good standing" concept does not exist under the laws of the State of Israel. Consequently, neither Vyyo Ltd. nor Xtend Networks Ltd. is in good standing in the jurisdiction of its incorporation.
- Given the recent reduction in the size of the Company's Board of Directors from 10 to two directors, the Company's standing Committees (Audit Committee, Compensation Committee and Nominating Committee) are inactive.

Section 3.1(b) Subsidiaries

- The Company's "Significant Subsidiaries" are:
Vyyo Ltd. (Israel), wholly-owned subsidiary of Vyyo Inc.

Xtend Networks Ltd. (Israel), wholly-owned subsidiary of Vyyo Inc.
 Xtend Networks Inc. (Delaware), wholly-owned subsidiary of Xtend Networks Ltd.

- The Company's "Insignificant Subsidiaries" are:
 Vyyo Brasil Ltda (Brazil) – inactive
 SHDIP Ltd. (Israel) – inactive

Section 3.1(d) No Conflicts

- See Section 3.1(g) (*Consents*) and 3.1(k) (*Intellectual Property*) below, with respect to the approval required by the Office Chief Scientist of the Israeli Ministry of Industry, Trade and Labor, and the limitations imposed under the letters of grants issued to Vyyo Ltd. and Xtend Networks Ltd. thereby.

- Under Israeli law, means of encryption and encryption equipment are controlled commodities within the meaning of the Control of Commodities and Services Law, 5718-1957, and are therefore subject to the prohibitions, restraints, supervision and control governing it by virtue of such law and regulations and orders promulgated thereunder. Such law, orders and regulations prohibit the engagement in means of encryption otherwise than pursuant to an approval from the authorized person appointed by the Minister of Defense. Consequently, any sale, transfer, assignment or pledge of any means of encryption (including any sale in connection with the realization of any security interest over any asset of the subsidiary that contains or uses means of encryption) is subject to the prior approval of the authorized person appointed by the Minister of Defense. Some of Vyyo Ltd.'s products contain encryption technologies to enable the transfer of data in a manner that preserves the privacy of the parties communicating such data. In connection with the Company's focus on its cable business, Vyyo Ltd.'s business operations have ceased. Accordingly, Vyyo Ltd. has not applied for renewal of the approvals previously issued to it by the authorized person appointed by the Minister of Defense.

Section 3.1(f) Capitalization

As of September 24, 2008:

	<u>Authorized</u>	<u>Issued and Outstanding</u>
Common Stock	50,000,000	Approximately 18,702,012
Warrants (to purchase Common Stock)	79,559	77,319
Preferred Stock	5,000,000	0
Fifth Amended and Restated 2000 Employee and Consultant Equity Incentive Plan (Options/Restricted Stock to Purchase Common Stock)	12,840,088 shares of Common Stock are reserved for issuance, with evergreen of the lesser of 1,500,000 shares or 10% of the number of outstanding shares of Common Stock on the first day of each fiscal year	Approximately 5,055,189 outstanding and 4,352,017 available for grant

- In connection with the financing in 2006 with Goldman, the Company issued to Katalyst Securities LLC, the Company's investment banker in the financing, and related entities and persons,

warrants to purchase 79,559 shares of the Company's Common Stock. Of these warrants, 2,240 have been exercised and are no longer outstanding.

- Based solely on the Schedules 13D and/or 13G filed with the SEC, the following persons/entities own 5% or more of the Company's outstanding shares of Common Stock:

Davidi Gilo
Syntek Capital AG
GS Investment Strategies, LLC

Section 3.1(g) Consents

- See Section 3.1(k) (*Intellectual Property*) below.
- Under the letters of approval issued to Vyyo Ltd. and Xtend Networks Ltd. by the Office of the Chief Scientist of the Israeli Ministry of the Ministry of Industry, Trade and Labor ("OCS"), the companies must notify the OCS of any change of 25% or more in their share capital or in the following means of control: (a) voting rights in the Company's stockholders meetings, (b) the right to nominate the Company's directors, and (c) the right to participate in the Company's profits. A prior written approval from the OCS is needed if there is a transfer of the aforementioned means of control to a foreign person or entity, regardless of the percentage that is transferred. Although the transactions contemplated by the Gilo Note do not directly fall within this requirement, the Company will notify the OCS as a matter of good corporate practice.
- The Law for the Encouragement of Industrial Research and Development, 1984 further provides that the applicable subsidiary to which the OCS approval was issued, and its controlling stockholder, must notify the governmental committee about (a) any change in the "control" of the entity, to which the OCS approval was issued, or (b) any change in the ownership of Control Means, following which any non-Israeli citizen or non-Israeli resident becomes (i) a 5% or more stockholder of the entity, or (ii) a director of such entity or becomes entitled to appoint a director of such entity or its CEO. For that purpose, the term "Control Means" is defined as: (x) the right to vote at the Company's stockholders meetings, or (y) the right to nominate the directors of a company or its CEO.
- See disclosure at Section 3.1(d) (encryption and encryption equipment) regarding the authorized person appointed by the Minister of Defense.

Section 3.1(h) SEC Reports; Financial Statements

- On April 26, 2007, the Company received notice from the Securities and Exchange Commission (SEC) that the SEC had reviewed the Company's Form 10-K for the fiscal year ended December 31, 2006 and had comments on such filing. The Company and the SEC worked toward resolution of the issues raised by the SEC from that time until the Company filed its last response letter on January 4, 2008. Although the Company agreed to change certain disclosure on specific matters, the SEC comment process did not result in the amendment or restatement of any previously filed financial statements.

Section 3.1(j) No Adverse Changes

- The Company filed its last Annual Report on Form 10-K for the fiscal year ended March 31, 2008 on June 30, 2008 which described all material events affecting the Company during the fiscal year and through the date of the filing. The disclosure date of February 14, 2008 in Section 3.1(j) of the Securities

Purchase Agreement is, for purposes of this Schedule of Exceptions, deleted and replaced with June 30, 2008.

- The Company has experienced significant losses and negative cash flows from operations since its incorporation. The Company does not have sufficient capital to continue as a going concern.

In this regard, as of August 30, 2008, the Company's cash balance was \$1,811,000 and its accounts payable and accrued liabilities were of approximately \$5,000,000. Accordingly, the Company has insufficient cash to pay its booked commitments (in addition to future contractual commitments, such as severance obligations) and is, therefore, insolvent.

The Company's financial condition has negatively impacted its relationship, and eroded credibility, with customers.

- See the SEC Reports for a description of the Company's liability for employee rights upon retirement. The amount of this liability for the quarter ended June 30, 2008 is estimated at approximately \$707,000. This provision includes \$300,000 in connection with the Employment Agreement of Davidi Gilo, but does not include liabilities pertaining to payment for accrued vacation days, prior notice and other social benefits of existing employees of the Company and its Significant Subsidiaries, in the event of a termination of their employment (such amounts are included in the Company's financial statements in accordance with GAAP). Although Mr. Gilo has agreed to waive his right to receive severance, Mr. Gilo has not delivered his signed waiver to the Company.

- The Company is in discussions with Cisco Systems, Inc. regarding a sale of the Company's inventory of cable products to Cisco. It is currently contemplated that the sale of such inventory would be at a price equal to approximately 70% to 80% of the carrying value of the inventory on the Company's books. If the sale is consummated under these terms, the Company will incur a loss on the inventory of approximately \$400,000 to \$900,000. The actual loss incurred will be dependent on the quantity and price of the inventory sold to Cisco, if any.

- Following the restructuring executed in the quarter ended March 31, 2008, the Company has no ability to develop or manufacture wireless products. See Section 3.1(k) (*Intellectual Property*) for a description of the Equipment Lease with Arcadian Networks, Inc. ("ANI"). Although the Company has entered into this temporary relationship with ANI, the Company has continuing obligations under the Equipment Purchase Agreement executed with ANI in 2006 (the "**Equipment Purchase Agreement**"), including support, warranty and development efforts. There can be no guarantee that ANI will not pursue legal action against the Company based on the Company's failure to perform its obligations under the Equipment Purchase Agreement. The Company is unable to determine the amount, if any, of any resulting liability from the Equipment Purchase Agreement.

- As of August 31, 2008, the Company and its subsidiaries leased its facilities and automobiles under cancelable and non-cancelable operating lease agreements. The Company leases its United States facilities in Georgia and Colorado and its Israeli facilities in Airport City near Tel Aviv. The future minimum rental payments on a fiscal year basis under the operating leases are as follows*:

FYE	August 31, 2008 (In thousands of U.S. \$)
2009	\$ 421
2010	690
2011	648

* Includes \$46,000 related to automobile leases for the Company's Israeli employees.

• As of August 30, 2008, the total outstanding purchase obligations are approximately \$1.0 million. These obligations consist mainly of inventories, components, services and operations (focused particularly on the Company's operations and research and development activities) and do not include day-to-day purchase obligations.

Section 3.1(k) Intellectual Property

• In approximately the 1999 time frame, the Company was notified by counsel to Hybrid Networks of 11 patents owned/assigned to Hybrid Networks. The patents were: US RE35,774; US 5,586,121, US 5,828,655; US 5,818,845, US 5,859,852, US 5,946,322, US 5,956,346, US 5,959,660, US 5,959,997, US 6,005,850, and US 6,016,316. Crosby Heafey Roach & May LLP (now merged with or subsumed by Reed Smith LLP) issued opinions regarding each of the patents. The opinions cited numerous articles of prior art that essentially showed invalidity of a fair portion of the patents. The opinions also included claim charts to show that the Company did not infringe another fair portion of the patents. The Company believes that each patent was either invalid, or clearly not infringed, or both. To the Company's knowledge, the matter was resolved without further incident and no further communications have been received from Hybrid Networks for approximately seven years now. The Company believes that Hybrid has gone out of business. The Company has received no notice or communication from Hybrid in 2007 or 2008.

• The Company licenses certain of its intellectual property on a non-exclusive basis to third parties in the normal course of its business.

• Both Vyyo Ltd. and Xtend Networks Ltd. have received royalty-bearing grants from the OCS of the Ministry of Industry, Trade and Labor of the Government of Israel. Each of Vyyo Ltd. and Xtend Networks Ltd. must pay royalties to the OCS on the revenue derived from the sale of products, technologies and services developed with the grants from the OCS. According to Israeli law, any products developed with grants from the OCS are generally required to be manufactured in Israel, unless prior approval of a governmental committee is obtained (which approval may be conditioned upon the increase of the amounts which are required to be repaid to the OCS, and, possibly, the requirement to repay such grants at a quicker rate). Vyyo Ltd. and Xtend Networks Ltd. are prohibited from transferring to third parties in Israel the technology developed with these grants without the prior approval of a governmental committee and are prohibited from transferring such technology to third parties outside Israel, except under limited exemptions pursuant to an amendment to the law effective June 7, 2005. Any non-Israeli who becomes a holder of 5% or more of the outstanding ordinary shares of either Vyyo Ltd. or Xtend Networks Ltd. will be required to notify the OCS and to undertake to observe the law governing the grant programs of the OCS and the principal restrictions of which are the transferability limits described above.

• The Import and Export Decree (Supervision of the Export of Dual Use Goods, Services and Technologies) 2006, that was enacted by the Israeli Ministry of Industry, Trade and Labor in accordance with the Wassenaar Arrangement, prohibits the export and import of certain technologies and services which are classified as dual-use goods and technologies pursuant to such Decree ("Dual-Use Technology"), otherwise than pursuant to approval from the authorized person appointed by the Minister of Industry, Trade and Labor. Some of the Significant Subsidiaries' products may contain Dual-Use

Technology and consequently, any sale, transfer, lease or license of such products is subject to the prior approval of Israeli Ministry of Industry, Trade and Labor.

- See description of the Escrow Agreement with ANI in Section 3.1(p) (*Title to Assets*) below, which affected the use of the Company's Intellectual Property. On May 27, 2008, ANI delivered a Release Condition Notice to Iron Mountain Intellectual Property Management, Inc. as escrow agent pursuant to the Escrow Agreement between the Company and ANI, seeking release of the Company's intellectual property in accordance with the Escrow Agreement. On June 5, 2008, the Company received correspondence from Iron Mountain that it had released the escrowed intellectual property to ANI in accordance with the Escrow Agreement.

- On March 19, 2008, the Company and ANI executed an Equipment Lease providing for the lease of certain property and equipment related to the Company's wireless business for \$8,000 a month in lease payment. The Equipment Lease provides ANI a non-exclusive license to use certain of the Company's wireless intellectual property that is resident on or embedded within the leased wireless equipment, or otherwise necessary to use such equipment, as necessary for ANI to use, operate, maintain, develop, manufacture and support its wireless products. The Company intends to dispose of its wireless assets at an appropriate time in the future.

- In early September 2008, the Company became aware that PeerApp, Ltd. has used "UltraBand" in its marketing materials. The Company acquired the UltraBand trademark in June 2008. The Company intends to deliver a cease and desist letter to PeerApp, Ltd. regarding its usage of the UltraBand trademark.

Section 3.1(l) Tax Matters

Vyyo Ltd. and Xtend Networks Ltd. filed their tax returns for the fiscal year ending December 31, 2006 on May 30, 2008. These tax returns were not filed within the required time periods; however, the Company does not anticipate that any material adverse effect will result from this late filing.

Section 3.1(m) Absence of Litigation

- See the attached letters from Fischer Behar Chen Well Orion & Co. describing certain claims involving Vyyo Ltd. and Xtend Networks Ltd.

- Xtend Networks Ltd. previously engaged with Telkoor Power Supplies Ltd. ("Telkoor") for the development and manufacture of three types of power supplies. Xtend Networks Ltd. had agreed to purchase from Telkoor, subject to the successful development of the power supplies, certain amounts of such power supplies. It is Xtend Networks Ltd.'s position that certain of the power supplies do not conform to the pre-agreed development specifications and has refused to purchase any power supplies.

Telkoor has requested that Xtend Networks Ltd. pay an additional \$12,500 for the development of the remaining power supplies. The Company cannot determine the amount of any fees it may pay to Telkoor, but does not believe that any such amount will be material. The Company has reserved \$12,500 in anticipation of this settlement.

- The Company previously engaged Cohn & Wolfe to provide public relations services in 2006 and 2007. The Company terminated the relationship in late 2007, and there remains \$36,000 in dispute of past due amounts. The Company believes that it can reach agreement with Cohn Wolfe to settle the matter, and expects to offer to pay \$24,000 of the disputed amount with a discharge of the remaining \$12,000.

- See Section 3.1(j) (*No Adverse Changes*) for a description of potential liabilities under the Equipment Purchase Agreement with ANI.

- On June 10, 2008, the Company was served with a Summons from Thompson Financial related to disputed invoices totaling \$24,629 (\$20,470 principal and \$4,159 interest). In late 2006 and early 2007, the Company spent a significant amount of time researching this claim which relates to a service contract for access to Thompson Financial's First Call database. In an email dated February 20, 2007, a representative of Thompson Financial confirmed that the disputed invoices were no longer outstanding. On April 19, 2007, the Company received an email from the collection agency indicating that it had closed its file on this matter. Based on this information, the Company believed that the issue was resolved. The next communication on this issue was the Summons previously mentioned. The Company is in the process of attempting to settle this dispute with Thompson Financial. The last offer by Thompson Financial was \$12,500. The Company intends to try to settle this dispute with a final counter offer of \$10,000.

Section 3.1(n) Environmental Matters

The Company's current active products (T1 and XHUB-related) do not comply with the requirements of Directive 2002/95/EC of the European Union (Restrictions on the Use of Certain Hazardous Substances in Electrical and Electronic Equipment) and similar initiatives in China, Japan and Korea. The Company has no current intent to market or sell its currently-available products in these jurisdictions.

Section 3.1(o) Compliance

- Neither Vyvo Ltd. nor Xtend Networks Ltd. currently has a business license for its premises in Airport City Ltd.

- See Section 3.1(d) (*No Conflicts*) above pertaining to the limitations imposed on the usage of means of encryption.

- Under the 2008 Notes, an Event of Default exists if the Company fails to pay any interest when due, and such failure continues for 30 days. The Company does not have sufficient cash to pay the interest payments due on October 1, 2008 and will not make such payments.

- On June 6, 2008, the Company approved its normal quarterly option grant to non-employee directors. Grants were made to a director who resides in Minnesota and a director who resides in New York.

By letter dated June 10, 2008, the Company provided information on the grant to the Minnesota Department of Commerce. This information was not provided to this agency 10 days prior to the grant of the option as required by Minnesota securities law.

The Company applied for an exemption from the issuer-dealer registration requirements in the state of New York as permitted for securities offered under an employee benefit plan subsequent to the option grant.

Section 3.1(p)

Title to Assets

- Vyyo Ltd. has granted the following security interests:
 - A fixed and first-ranking charge, unlimited in amount, in favor of Bank Leumi over all rights and monies deposited in account number 510300/29 of Vyyo Ltd. with Bank Leumi, in which Vyyo Ltd. has deposited an amount of approximately NIS 275,000 as of May 2008, adjusted to the Israeli CPI (approximately \$85,000). Such fixed charge also applies to all interest and linkage accrued on any monies deposited in such account. (Note: this relates to letters of credit delivered in connection with the lease agreements with Airport City Ltd. and Ayalot Investments in Properties (Har Hotzvim) 1994 Ltd. ("Ayalot")). On May 28, 2008, Ayalot instructed Bank Leumi to terminate the letter of credit delivered in connection with the lease agreement with Ayalot. Consequently, the amount deposited in the bank account was reduced to approximately NIS 111,000 as of September 2008, adjusted to the Israeli CPI (approximately \$32,000).
 - A first-ranking fixed charge, unlimited in amount, in favor of Vyyo Inc. on certain assets of Vyyo Ltd., including all intellectual property thereof, and all patents, trademarks, service marks, trade names and copy rights of Vyyo Ltd.
 - A floating charge in favor of the Company, unlimited in amount, over all of the assets, monies, properties and rights of any kind whatsoever (including machines, equipment, fixed assets, intellectual property and any other intangible assets) owned by Vyyo Ltd. (or which shall be owned thereby at any time in the future), including all profits and benefits derived therefrom.
 - A first-ranking fixed charge, unlimited in amount, in favor of Goldman and Syntek on certain assets of Vyyo Ltd., pursuant to a pledge agreement dated June 13, 2008.
- Xtend Networks Ltd. has granted the following security interests:
 - A fixed and first-ranking charge, unlimited in amount, in favor of Bank Leumi over all rights and monies deposited in account number 517800/74 of Xtend Networks Ltd. with Bank Leumi, in which Xtend Networks Ltd. has deposited an amount of approximately NIS 438,000 as of May 2008, as adjusted to the Israeli CPI (approximately \$128,000). Such fixed charge also applies to all interest and linkage accrued on any monies deposited in such account. (Note: this is the letter of credit delivered in connection with the lease agreement with Airport City Ltd.).
 - A first-ranking fixed charge, unlimited in amount, in favor of Goldman and Syntek on certain assets of Xtend Networks Ltd., including all of the shares of Xtend Networks Inc. held by Xtend Networks Ltd. This fixed charge was granted pursuant to a pledge agreement dated June 13, 2008.
- In connection with the Equipment Purchase Agreement with ANI, the Company entered into an Escrow Agreement with ANI and Iron Mountain Intellectual Property Management, Inc., pursuant to which the Company put certain system documentation into escrow. The Escrow Agreement provided, among other things, that ANI would have access and limited rights to use the escrow materials which the Company deposited in accordance with the provisions of the Escrow Agreement. See Section 3.1(k) ("*Intellectual Property*") above related to the release of the Company's wireless intellectual property pursuant to the Escrow Agreement.

- Under Section 28 of the Lease Agreement dated December 2004 by and between Corners Realty Corporation and Xtend Networks Inc., as amended by the First Amendment to Lease, dated July 17, 2006, by and between I&G Peachtree Corners, L.L.C. and Xtend Networks Inc. (the "Georgia Lease"), in the event of default of the Georgia Lease the landlord has a lien on certain of the Company's property located on the premises.

- Under the Company's warehouse agreements entered into in the ordinary course of business, in the event that the Company fails to make payment as required by the particular agreement, the warehouse has the right to put a lien on the property held in storage.

Section 3.1(s) Registration Rights

- Section 10 of the Share Exchange Agreement between the Company and certain former shareholders of Xtend Networks Ltd. dated June 30, 2004 grants certain registration rights. The Share Exchange Agreement was an Exhibit to the Company's Form 8-K Current Report filed with the SEC on July 15, 2004.

- In connection with the 2008 Notes, the Company granted certain registration rights to Goldman and Syntek pursuant to the terms of an Amended and Restated Registration Rights Agreement dated as of June 13, 2008.

Section 3.1(y) Regulatory Permits

- Neither Vyyo Ltd. nor Xtend Networks Ltd. currently has a business license for its premises in Airport City Ltd.

- See Section 3.1(d) (*No Conflicts*) above with pertaining to the limitations imposed on the usage of means of encryption.

- The Company holds certain Federal Communications Commission ("FCC") equipment certifications which permit it to market equipment in the United States. In January 2007, the FCC contacted the Company regarding an audit the FCC is conducting related to three equipment certifications issued to the Company by the FCC in 2006. Specifically, certifications issued to the Company with FCC ID numbers PBJV284-A, PBJV3000-A, and PBJV284-PLUS-A relate to devices which operate on 700 MHz "Guard Band" spectrum and utilize channel bandwidths of up to 400 kHz. Following the restructuring executed in the quarter ended March 31, 2008, the Company has no ability to develop or manufacture wireless products.

Section 3.1(z) Transactions With Affiliates and Employees

The Company has engaged in the following transactions with its current affiliates and directors:

- **ANI.** The Company and ANI are parties to the Equipment Purchase Agreement executed in 2006. Given that the Company has discontinued its wireless operations, it has received no significant revenue from ANI related to the sale of its wireless products.

The Company has been advised that Goldman and related entities own approximately 33% of the capital stock of ANI (approximately 29% on a fully-diluted basis) and are entitled to two seats on the board of directors of ANI. Goldman is a major stockholder of the Company and holder of a 2008 Note (see below).

On March 19, 2008, the Company entered into the Equipment Lease with ANI for office sharing and test equipment. ANI is sharing office space in Airport City, Israel, warehouse space and parking. The lease payments are \$8,000 per month. In addition, the Company signed a Shared Services Agreement in which the Company provides and/or shares certain services with ANI for specified fees.

- **Goldman.** Goldman owns more than 10% of the Company's outstanding stock. The Company paid Goldman \$369,000 of interest during the three months ended June 30, 2008 for the convertible note executed in 2007 (which was paid off with the proceeds from the 2008 Note). The Company paid Goldman \$1,471,916 during the 12 months ended March 31, 2008 for interest related to the convertible note executed in 2007. As of August 31, 2008, the Company accrued \$1,536,000 of interest payable to Goldman, of which \$1,219,000 is payment-in-kind interest and \$317,000 is cash interest. On October 1, 2008, a cash interest payment of \$475,000 is due to Goldman. The Company does not have sufficient cash to make this interest payment. This accrual does not take into account any additional interest that may become due pursuant to the default rate as described above in Section 3.1(o) ("*Compliance*").

- **Syntek.** As of August 31, 2008, the Company accrued \$121,000 of interest payable to Syntek, of which \$96,000 is payment-in-kind interest and \$25,000 is cash interest. On October 1, 2008, a cash interest payment of \$37,500 is due. The Company does not anticipate making this interest payment. This accrual does not take into account any additional interest that may become due pursuant to the default rate as described above in Section 3.1(o) ("*Compliance*").

- **James Chiddix.** James Chiddix, Chairman of the Company's board of directors, is a consultant to the Company. The Company and Mr. Chiddix amended the consulting agreement as of February 1, 2008. The amendment reduces the fees payable to Mr. Chiddix from \$15,000/month to \$7,500/month. The Company paid \$22,500 to Mr. Chiddix for consulting services in the quarter ended June 30, 2008.

Section 3.1(ff) Solvency

- Based on management projections including the net proceeds from the Gilo Note and assuming the business operates in the ordinary course (taking into account expenses and costs incurred in the tender offer with Vision Acquisition Corporation), the Company expects to be Solvent through November 30, 2008 (without taking into account the repayment obligation of the 2008 Notes or the Gilo Note). These projections are based on anticipated inventory purchases to meet expected customer orders and shipments based on procurement lead times. They also reflect anticipated customer sales and subsequent payments. Items outside the ordinary course of business may shorten the period that the Company remains Solvent.

- The Significant Subsidiaries are not Solvent. The liabilities of each of the Significant Subsidiaries exceed the assets of such subsidiaries. The ability of each of the Significant Subsidiaries to continue to conduct its business depends on continued financing by the Company.

Schedule 3.1(m)

Letters of Fischer Behar Chen Well Orion & Co

EXHIBIT A
TO GUARANTY AND SECURITY AGREEMENT
FORM OF SUPPLEMENT

SUPPLEMENT NO. __, dated as of _____, to the **GUARANTY AND SECURITY AGREEMENT**, dated as of September [], 2008, among **VYYO INC.**, a Delaware corporation (the "Company"), the Subsidiaries of the Company party thereto, **GILO VENTURES II, L.P.**, as Secured Party (including its successors and assigns and in such capacity, the "Secured Party"), and **GOLDMAN SACHS INVESTMENT PARTNERS MASTER FUND, L.P.** ("Account Collateral Agent") (as amended, supplemented or otherwise modified from time to time, the "Guaranty and Security Agreement"). Capitalized terms (and the term "subsidiary") used herein and not defined herein shall have the meanings assigned to such terms in the Guaranty and Security Agreement.

Reference is made to the Senior Secured Convertible Note in the aggregate principal amount of \$1,400,000 (as amended, supplemented or otherwise modified, the "**Senior Secured Convertible Note**") executed by the Company in favor of the Secured Party.

The Grantors have entered into the Guaranty and Security Agreement in order to induce the Secured Party to purchase the Senior Secured Convertible Note. Article 11 of the Guaranty and Security Agreement provides that additional Subsidiaries may become Subsidiary Guarantors and Grantors under the Guaranty and Security Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the "New Subsidiary Guarantor and Grantor") is executing this Supplement in accordance with the requirements of the Senior Secured Convertible Note to become a Subsidiary Guarantor and Grantor under the Guaranty and Security Agreement as consideration for the Senior Secured Convertible Note previously made.

Accordingly, the Secured Party, the Account Collateral Agent and the New Subsidiary Guarantor and Grantor hereby agree as follows:

1. In accordance with Article 11 of the Guaranty and Security Agreement, the New Subsidiary Guarantor and Grantor by its signature below becomes a Subsidiary Guarantor and a Grantor under the Guaranty and Security Agreement with the same force and effect as if originally named therein as a Subsidiary Guarantor and a Grantor, and the New Subsidiary Guarantor and Grantor hereby agrees to all the terms and provisions of the Guaranty and Security Agreement applicable to it as a Subsidiary Guarantor and a Grantor thereunder. In furtherance of the foregoing, the New Subsidiary Guarantor and Grantor, as security for the payment and performance in full of the Obligations, does hereby create and grant to the Secured Party (and its successors and assigns), a security interest in and lien on all of the New Subsidiary Guarantor and Grantor's right, title and interest in and to the Collateral (as defined in the Guaranty and Security Agreement) owned or held by or on behalf of the New Subsidiary Guarantor and Grantor. Each reference to a "Subsidiary Guarantor" or to a "Grantor" in the Guaranty and Security Agreement shall be deemed to include the New Subsidiary Guarantor and Grantor. The Guaranty and Security Agreement is hereby incorporated herein by reference.

2. The New Subsidiary Guarantor and Grantor represents and warrants to the Secured Party that (i) this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally, (ii) set forth on the Schedules attached hereto are true and complete schedules of all of the information that would have been required to have been delivered by or on behalf of the New Subsidiary Guarantor and Grantor pursuant to the Guaranty and Security Agreement and the Schedules thereto if the New Subsidiary Guarantor and Grantor had been originally named in the Guaranty and Security Agreement, and (iii) the representations and warranties made by it as a Grantor under the Guaranty and Security Agreement are true and correct on and as of the date hereof based upon the applicable information referred to in clause (ii) of this Section.

3. This Supplement may be executed in counterparts (and by each party hereto on a different counterpart), each of which shall constitute an original, but both of which, when taken together, shall constitute but one contract. This Supplement shall become effective when the Secured Party shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Subsidiary Guarantor and Grantor and the Secured Party. Delivery of an executed counterpart of this Supplement by facsimile transmission shall be as effective as delivery of a manually executed counterpart of this Supplement.

4. Except as expressly supplemented hereby, the Guaranty and Security Agreement shall remain in full force and effect.

5. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

6. In the event any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Guaranty and Security Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

7. All communications and notices hereunder shall be in writing and given as provided in Article 13 of the Guaranty and Security Agreement. All communications and notices hereunder to the New Subsidiary Guarantor and Grantor shall be given to it at the address set forth in the applicable Schedule hereto, with a copy to the Company.

8. The New Subsidiary Guarantor and Grantor agrees to reimburse the Secured Party for its out of pocket expenses in connection with this Supplement, including the fees, disbursements and other charges of counsel for the Secured Party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the New Subsidiary Guarantor and Grantor and the Secured Party have duly executed this Supplement No. to the Guaranty and Security Agreement as of the day and year first above written.

**[NAME OF NEW SUBSIDIARY
GUARANTOR AND GRANTOR]**

By: _____
Name: _____
Title: _____

GILO VENTURES II, L.P.

By: Gilo Ventures, LLC, its general partner

By: _____
Name: _____
Title: _____

**GOLDMAN SACHS INVESTMENT PARTNERS
MASTER FUND, L.P., as Account Collateral Agent**

By: _____
Name: _____
Title: _____

**[ATTACH SCHEDULES CORRESPONDING TO THE
SCHEDULES TO THE GUARANTY AND SECURITY AGREEMENT**

Exhibit D

See Attached
Form of Vyyo Ltd. Pledge Agreement

Exhibit E

See Attached

Form of Xtend Networks Ltd. Pledge Agreement