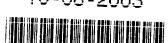
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Form PTO-1594 U.S. DEPARTMENT OF COMMERCE (Rev. 10/02) U.S. Patent and Trademark Office OMB No. 0651-0027 (exp. 6/30/2005) Tab settings ⇒ ⇒ ⇒ 102570845 To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof. 1. Name of conveying party(ies): 2. Name and address of receiving party(ies) PENTECH FINANCIAL SERVICES, INC. Name: METRICSTREAM, INC. Internal Address: Individual(s) Association Street Address: 310 WEST HAMILTON AVE. General Partnership Limited Partnership City: CAMPBELL State: CA Zip: 95008 Corporation-State Other ___ Individual(s) citizenship_ Association_ Additional name(s) of conveying party(ies) attached? Yes No General Partnership 3. Nature of conveyance: Limited Partnership Assignment Corporation-State_California Merger Security Agreement Change of Name If assignee is not domiciled in the United States, a domestic Other_ representative designation is attached: Yes No (Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No Execution Date: JULY 12, 2003 4. Application number(s) or registration number(s): A. Trademark Application No.(s) B. Trademark Registration No.(s) Additional number(s) attached Yes 5. Name and address of party to whom correspondence 6. Total number of applications and concerning document should be mailed: registrations involved: Name: Buchalter, Nemer, Fields & Younger Internal Address: c/o Neil J. Rubenstein, Esq. 7. Total fee (37 CFR 3.41)..... Enclosed Authorized to be charged to deposit account 8. Deposit account number: 333 Market Street Street Address: 25th Floor State: CA DO NOT USE THIS SPACE 9. Signature. Neil J. Rubenstein 2003 Name of Person Signing Date number of pages including cover sheet, attachments, and document Mail documents to be recorded with required cover sheet information to:

missioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of July 12, 2003 by and between PENTECH FINANCIAL SERVICES, INC ("Pentech") and METRICSTREAM, INC., a Delaware corporation ("Borrower"), with reference to the following facts:

Pentech and Borrower are parties to that certain loan agreement of even date (as amended from time to time, the "Loan Agreement"). Capitalized terms used herein have the meaning assigned in the Loan Agreement. Pursuant to the terms of the Loan Agreement, Borrower has granted to Pentech a security interest in all of Borrower's right, title and interest, whether presently existing or hereafter acquired, in, to and under the Collateral.

NOW, THEREFORE, Borrower agrees as follows:

To secure performance of its "Obligations" as defined in the Loan Agreement, Borrower grants to Pentech a security interest in all of Borrower's right, title and interest in Borrower's intellectual property (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits).

Grantor represents and warrants that (i) listed on Schedule A hereto are all trademark registrations and pending registrations owned or controlled by Grantor or licensed to Grantor, (ii) listed on Schedule B are all patents and patent applications owned or controlled by Grantor or licensed to Grantor, and (iii) listed on Schedule C are all of Grantor's software, computer programs and other works of authorship subject to United States copyright protection (other than off-the-shelf software licensed to Grantor on a non-exclusive basis), including, without limitation, those for which the sale, licensing or other disposition results in royalties receivable, license fees receivable, accounts receivable or other sums owing to Grantor. Grantor shall, within 30 days after the date hereof, register or cause to be registered (to the extent not already registered) with the United States Copyright Office all of its software and other copyrightable intellectual property, including those intellectual property rights listed on Schedule C hereto. In addition, to the extent that Grantor in its reasonable business judgment deems it appropriate to protect its patent and trademark rights, it shall register those rights with the United States Patent and Trademark Office within 30 days after the date hereof. Grantor shall register or cause to be registered on an expedited basis with the United States Copyright Office its software and other copyrightable intellectual property developed or acquired by Grantor from time to time hereafter (including without limitation revisions or additions to the intellectual property rights listed on such Schedule C). Grantor shall from time to time, execute and file such other instruments, and take such further actions as Pentech may reasonably request from time to time to perfect or continue the perfection of Pentech's interest in the intellectual property.

This security interest is granted in conjunction with the security interest granted to Pentech under the Loan Agreement. Each right, power and remedy of Pentech provided for herein shall not preclude the simultaneous or later exercise by Pentech of any or all other rights, powers or remedies.

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed as of the first date written above.

10076641.02 SF 20927v3 07/17/2003

Address of Borrower:

2360 Walsh Avenue Santa Clara, CA 95051

Attn: Chief Financial Officer

Address of Pentech:

310 West Hamilton Ave Campbell, CA 95008 Attn: Robert Johnson METRICSTREAM, INC.

By Title PLESIDENT

PENTECH FINANCIAL SERVICES, INC

By___

[SIGNATURE PAGE TO METRICSTREAM, INC.'S INTELLECTUAL PROPERTY SECURITY AGREEMENT]

SF 20927v3 07/17/2003

SCHEDULE A

Trademarks

Registration/ Registration/
Application Application

Description Number Date

METRICSTREAM 78285283 08/08/2003

10076641.02 SF 20927v3 07/17/2003

SCHEDULE B

Patents

Description

None

Registration/ Application Number Registration/ Application <u>Date</u>

10076641.02 SF 20927v3 07/17/2003

SCHEDULE C

Copyrights

Description

Registration/ Application Number Registration/ Application Date___

10076641.02 SF 20927v3 07/17/2003

RECORDED: 10/08/2003