

01-17-2001

U.S. Department of Commerce
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PATENT



101566899

RECORDATION FORM COVER SHEET
PATENTS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type



New



Resubmission (Non-Recordation)

Document ID#



Correction of PTO Error

Reel #

Frame #



Corrective Document

Reel #

Frame #

Conveyance Type



Assignment



Security Agreement



License



Change of Name



Merger



Other

U.S. Government

(For Use ONLY by U.S. Government Agencies)



Departmental File



Secret File

Conveying Party(ies)



Mark if additional names of conveying parties attached

Name (line 1)

Tenfold Corporation

Execution Date
Month Day Year
01/06/2000

Name (line 2)

Second Party

Name (line 1)

Execution Date
Month Day Year

Name (line 2)

Receiving Party



Mark if additional names of receiving parties attached

Name (line 1)

Bank One, Utah, National Association



If document to be recorded
is an assignment and the
receiving party is not
domiciled in the United
States, an appointment
of a domestic
representative is attached.
(Designation must be a
separate document from
Assignment.)

Name (line 2)

Address (line 1)

80 West Broadway, Suite 200

Address (line 2)

Address (line 3)

Salt Lake City

Utah

84101

City

State/Country

Zip Code

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

01/16/2001 DNGUYEN 00000003 08932255

FOR OFFICE USE ONLY

01 FC:581
02 FC:584

80.00 OP
120.00 OP

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Mail documents to be recorded with required cover sheet(s) information to:

Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

PATENT

REEL: 011239 FRAME: 0440

Correspondent Name and Address

Area Code and Telephone Number

(602) 382-6228

Name **Howard I. Sobelman**

Address (line 1) **Snell & Wilmer L.L.P.**

Address (line 2) **One Arizona Center**

Address (line 3) **400 E. Van Buren**

Address (line 4) **Phoenix, Arizona 85004-2202**

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

21

Application Number(s) or Patent Number(s)

☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

08/932,255

09/111,049

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor.

Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number only if a U.S. Application Number has not been assigned.

PCT

PCT

PCT

PCT

PCT

PCT

Number of Properties

Enter the total number of properties involved.

2

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

80.00

Method of Payment:

Enclosed ☒

Deposit Account ☐

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

19-2814

Authorization to charge additional fees:

Yes ☒

No ☐

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Howard I. Sobelman

Name of Person Signing

94003.0026

Signature

Date

1/16/01

FIRST MODIFICATION AGREEMENT TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

This **FIRST MODIFICATION AGREEMENT TO INTELLECTUAL PROPERTY SECURITY AGREEMENT** ("Agreement") is made effective as of December 29, 1999, by and between **TENFOLD CORPORATION**, a Delaware corporation formerly known as KeyTex Corporation ("**Debtor**"), having its principal office at 180 West Election Road, Suite 100, Draper, Utah 84020, and **BANK ONE, UTAH, NATIONAL ASSOCIATION**, a national banking association ("**Secured Party**"), having its principal place of business at 80 West Broadway, Suite 200, Salt Lake City, Utah 84101.

RECITALS:

A. Secured Party has previously extended to Debtor a revolving line of credit in the original maximum principal amount of Five Million and No/100 Dollars (\$5,000,000.00) (the "**Loan**") pursuant to a Revolving Line of Credit Agreement, dated January 18, 1999 (as amended and modified from time to time, the "**Loan Agreement**"), and evidenced by a Promissory Note, dated January 18, 1999 (as amended and modified from time to time, the "**Note**"). Secured Party extended the Loan to Debtor for purposes of providing funds for business operations, research and development expenses related to the development of new software and for general working capital purposes. Capitalized terms used in this Agreement and not otherwise defined in this Agreement shall have the meanings given to such terms in the Loan Agreement.

B. Pursuant to a Security Agreement and Intellectual Property Security Agreement (the "**IP Security Agreement**"), each dated January 18, 1999 (collectively, the "**Security Agreements**"), Debtor has granted to Secured Party a present, continuing security interest in, lien upon and right of setoff against the assets and properties of Debtor, which lien and security interest shall attach and be effective upon the occurrence of an Event of Default under any of the Loan Documents. In addition, Debtor has agreed that it shall not encumber, pledge, hypothecate, mortgage, sell, assign or transfer (other than in the ordinary course of business) any of its assets or properties, or permit to exist any lien in or to such assets or properties.

C. The Loan Agreement, Note, Security Agreements, Uniform Commercial Code Financing Statements and all other agreements, documents, and instruments governing, evidencing, securing, or otherwise relating to the Loan, as modified in this Agreement and the First Modification Agreement by and between Debtor and Secured Party of even date herewith ("**First Modification Agreement**") are sometimes referred to herein individually and collectively as the "**Loan Documents**".

D. Debtor has now requested that Secured Party extend the Maturity date of the Loan until November 15, 2000, increase the maximum principal amount of the Loan to Fifteen Million and No/100 Dollars (\$15,000,000.00), modify the interest rate applicable to the Loan, modify certain financial covenants and make other modifications to the Loan Documents.

E. Secured Party is willing to so modify the Loan and Loan Documents upon the terms and conditions contained in the First Modification Agreement, which requires, among other things, the execution and delivery of this Agreement by Debtor.

NOW THEREFORE, in consideration of the covenants contained herein, the advance of additional credit by Secured Party and the covenants and agreements contained in the First Modification, and other good and valuable consideration, the parties hereto amend, restate and modify the IP Security Agreement as follows:

1. The maximum principal amount of the Note referenced in Section 3(a) of the IP Security Agreement is hereby increased from FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00) to FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000.00) and the provisions of the IP Security Agreement are hereby amended to be consistent therewith.

2. All provisions of the IP Security Agreement not inconsistent with the provisions of paragraph 1 hereof shall be and remain the same as set forth in the Note.

3. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah, without giving effect to conflicts of law principles.

4. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Second Amendment to physically form one document.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on January 6th, 2000 to be effective as of the date first written above.

TENFOLD CORPORATION
a Delaware corporation

By: [Signature]
Name: Rob Hughes
Title: Chief Financial Officer

“Debtor”

BANK ONE, UTAH, NATIONAL ASSOCIATION
a national banking association

By: [Signature]
Name: Stephen A. Cazier
Title: Vice President

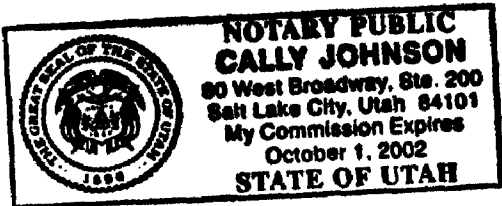
“Secured Party”

STATE OF UTAH)
 :SS.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 6th day of January, 2000, by Rob Hughes, the Chief Financial Officer of TENFOLD CORPORATION, a Delaware corporation, on behalf of the corporation.

[seal]

[Signature]
NOTARY PUBLIC



STATE OF UTAH)
)
:SS.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 16th day of January, 2000, by Steven A. Cazier, a Vice President of BANK ONE, UTAH, NATIONAL ASSOCIATION, a national banking association, on behalf of the association.

[seal]

Cally Johnson
NOTARY PUBLIC

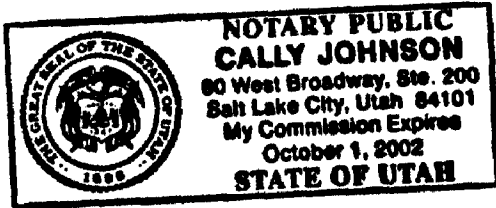


EXHIBIT A

ORIGINAL INTELLECTUAL PROPERTY SECURITY AGREEMENT

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is made as of January 18, 1999, by and between **TENFOLD CORPORATION**, a Delaware corporation formerly known as KeyTex Corporation ("**Debtor**"), having its principal place of business at 180 West Election Road, Suite 100, Draper, Utah 84020 and **BANK ONE, UTAH, NATIONAL ASSOCIATION**, a national banking association ("**Secured Party**"), whose mailing address is 80 West Broadway, Suite 200, Salt Lake City, Utah 84101.

RECITALS

A. Secured Party and Debtor are parties to a Revolving Line of Credit Agreement, of even date herewith (as it may be amended, modified, extended, and renewed from time to time, the "**Loan Agreement**"), pursuant to which Secured Party has agreed to extend certain credit to Debtor in the form of a revolving line of credit in the maximum principal amount of \$5,000,000.00. The loan is evidenced by a Secured Promissory Note of even date herewith (the "**Note**").

B. It is a condition precedent to advancing any amounts to Debtor pursuant to the Loan Agreement that Debtor shall have entered into this Intellectual Property Security Agreement ("**IP Agreement**") granting Secured Party a security interest in the collateral described in this Agreement, which security interest shall be effective upon the occurrence of certain events described in the Loan Agreement

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged and intending to be legally bound, as collateral security for the prompt and complete payment when due of Debtor's Obligations (as defined below) to Secured Party, Debtor hereby represents, warrants, covenants and agrees as follows:

1. **Definitions.** As used herein, the following terms shall have the meanings set forth below. All other capitalized terms used herein shall have the meanings given to such terms in the Loan Agreement. All references to the plural herein shall also mean the singular. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Loan Agreement, the Loan Agreement shall control.

"Computer Hardware and Software Collateral" means all present and future right, title, and interest of Borrower in and to:

(a) Computer and other electronic data processing hardware, integrated computer systems, central processing units, memory units, display terminals, printers, features, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories and all peripheral devices and other related computer hardware;

(b) Software programs (including both source code, object code and all related applications and data files), whether now owned, licensed or leased or hereafter acquired, for use on the computers and electronic data processing hardware described in clause (a) above;

(c) Firmware associated with the property described in the preceding clauses (a) and (b);

(d) Documentation (including flow charts, logic diagrams, manuals, guides and specifications) with respect to such hardware, software and firmware described in the preceding clauses (a) through (c); and

(e) Rights with respect to all of the foregoing, including without limitation, any and all copyrights, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, additions or model conversions of any of the foregoing.

"Copyright Collateral" means all present and future right, title, and interest of Borrower in and to copyrights and all mask works, whether statutory or common law, registered or unregistered, now hereafter in force throughout the world, including, without limitation, all copyrights and mask works registered in the United States Copyright Office or anywhere else in the world and also including, without limitation, all applications for registration thereof, whether pending or in preparation, all copyright and mask work licenses, including each copyright and mask work license (whether as licensee or licensor), the right to sue for past, present and future infringements of any thereof, all rights corresponding thereto throughout the world, all extensions and renewals of any thereof and all proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit.

"Intellectual Property Collateral" has the meaning given to such term in Section 2.

"Patent Collateral" means all present and future right, title, and interest of Borrower in and to:

(a) Patent rights, patents and applications for patents throughout the world, including all patent applications in preparation for filing anywhere in the world;

(b) Patent licenses (whether as licensee or licensor);

(c) Reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clauses (a) and (b) of this definition; and

(d) Proceeds of, and rights associated with, the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, including any patent or patent application referred to herein, and for breach or enforcement of any patent license, including any patent license referred to herein, and all rights corresponding thereto throughout the world.

"Trade Secrets Collateral" means all present and future right, title, and interest of Borrower in and to common law and statutory trade secrets and all other confidential or proprietary or useful information and all proprietary know-how obtained by or used in or contemplated at any time for use in the business of Borrower (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, all Trade Secret licenses (whether as licensee or licensor), including each Trade Secret license referred to herein, and including the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any Trade Secret and for the breach or enforcement of any such Trade Secret license.

"Trademark Collateral" means all present and future right, title, and interest of Borrower in and to:

(a) Trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (all of the foregoing items in this clause (a) being collectively called a *"Trademark"*), now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any foreign country, including those referred to herein;

(b) Trademark licenses (whether as licensee or licensor);

(c) Reissues, extensions or renewals of any of the items described in clauses (a) and (b) of this definition;

(d) All goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a) and (b); and

(e) All proceeds of, and rights associated with, the foregoing, including any claim against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, including any Trademark, Trademark registration or Trademark license referred to herein, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license.

2. **Grant of Security Interest.** As collateral security for the prompt and complete payment and performance of all of Debtor's Obligations, Debtor hereby grants a present, continuing security interest in, Lien upon and right of setoff against, all of Debtor's right, title and interest in, to and under the Computer Hardware and Software Collateral, the Copyright Collateral, the Patent Collateral, the Trademark Collateral and the Trade Secrets Collateral (subject to any required third-party consents), now or hereafter existing, created, acquired or held, (all of which shall collectively be called the **"Intellectual Property Collateral"**), which shall not attach and be effective until the occurrence of an Event of Default under any of the Loan Documents and upon such Event of Default, Secured Party may file with appropriate Governmental Authorities, this Agreement, UCC-1 Financing Statements and other documents or instruments required in any jurisdiction or reasonably deemed necessary by Secured Party to perfect the security interest granted herein, which Lien and security interest shall be of first priority, subject only to Permitted Liens. In the event that the foregoing Lien and security interest attaches to the Collateral and/or is perfected through the filing of this Agreement and/or Financing Statements and other documents and subsequently Debtor cures

the Event of Default which gave rise to such attachment and/or perfection (each of such conditions to be determined in the sole discretion of Secured Party) and provided further that no other Event of Default shall have occurred and be continuing, and Secured Party does not in its absolute discretion believe itself to be commercially insecure with respect to Debtor's performance hereunder, Secured Party shall take such reasonable actions as are necessary to release such Liens and security interests provided that (a) the Lien and security interest granted by Debtor to Secured Party hereunder shall be continuing and Debtor shall have acknowledged and reconfirmed the same (subject to attachment and effectiveness occurring upon the occurrence of another Event of Default) and (b) Debtor and each other Loan Party shall execute and deliver to Secured Party such Security Agreements, Financing Statements and such other documents, instruments and agreements as Secured Party may reasonably request or as may be reasonably necessary to allow for such security interest to once again attach to and be perfected in such Collateral upon the occurrence of any other Event of Default.

3. Obligations Secured. The foregoing assignment and security interest is made for the purpose of securing (in such order as Secured Party may elect) the following ("**Obligations**"):

- (a) The payment of all indebtedness under the Note;
- (b) The payment of all sums advanced by Lender to protect the Intellectual Property Collateral pursuant to this IP Agreement or otherwise, with interest thereon at a rate equal to the interest rate in the Note;
- (c) The performance of every obligation of Debtor under the Loan Documents (as such term is defined in the Loan Agreement);
- (d) The performance of every obligation, covenant and agreement of Debtor contained in any agreement, document or instrument now or hereafter executed by Debtor reciting that the obligations thereunder are secured by this IP Agreement; and
- (e) For the benefit of Secured Party, compliance with and performance of each and every provision of any other agreement, document, instrument, law, rule or regulation by which the Intellectual Property Collateral is bound or may be affected.

4. Authorization and Request. Debtor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this IP Agreement if the security interest granted in Section 2 hereof attaches and becomes effective as provided in Section 2.

5. Covenants and Warranties. Debtor represents, warrants, covenants and agrees as follows:

- (a) Debtor is the sole owner of any material Intellectual Property Collateral, except for licenses granted by Debtor to its customers in the ordinary course of business;
- (b) Performance of this IP Agreement does not conflict with or result in a breach of any other agreement to which Debtor is bound, except to the extent that certain agreements may prohibit the transfer or assignment of the rights thereunder to a third party without the licensor's or other party's consent and this IP Agreement constitutes a the grant of a security interest;

(c) During the term of this IP Agreement, Debtor will not transfer or otherwise encumber any interest in the Intellectual Property Collateral, except for licenses granted by Debtor in the ordinary course of business or as set forth in this IP Agreement and except for security interests in such Intellectual Property Collateral existing as of the date hereof;

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

(e) Debtor shall (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents, Copyrights and other Intellectual Property Collateral, (ii) use its best efforts to detect infringements of the Trademarks, Patents, Copyrights and other Intellectual Property Collateral and promptly advise Secured Party in writing of material infringements detected, (iii) not allow any Trademarks, Patents, Copyrights, or other Intellectual Property Collateral to be abandoned, forfeited or dedicated to the public without the written consent of Secured Party, which shall not be unreasonably withheld, unless Debtor determines that reasonable business practices suggest that abandonment is appropriate or such abandonment cannot reasonably be expected to lead to a Material Adverse Effect, and (iv) with respect to any material Trademark Collateral, (A) continue to use of any of such Trademark Collateral in order to maintain such Trademark Collateral in full force free from any claim of abandonment for non-use, (B) maintain as in the past the quality of products and services offered under such Trademark Collateral, (C) employ such Trademark Collateral registered with any Federal or state or foreign authority with an appropriate notice of such registration, (D) not adopt or use any other Trademark which is confusingly similar or a colorable imitation of such Trademark Collateral without granting to Lender a security interest therein in accordance with Section 2 hereof, and (E) use such Trademark Collateral registered with any Federal or state or foreign authority except for the uses for which registration or application for registration of such Trademark Collateral has been made without making an appropriate Federal, state or foreign application therefor;

(f) Debtor shall promptly register the most recent version of any of Debtor's material Copyrights, Trademarks and Patents, if not already so registered, and shall, from time to time, execute and file such other instruments, and take such further actions as Secured Party may reasonably request from time to time to perfect or continue the perfection of Secured Party's interest in the Intellectual Property Collateral, once such security interest has attached and become effective in accordance with Section 2;

(g) This IP Agreement creates, and in the case of after acquired Intellectual Property Collateral, this IP Agreement will create at the time Debtor first has rights in such after acquired Intellectual Property Collateral, in favor of Secured Party a security interest in the Intellectual Property Collateral in the United States, which will attach and be perfected in accordance with Section 2 hereof, and upon such attachment and perfection (upon making the filings referred to in clause (h) below) shall be at such time a valid and perfected first priority security interest securing the payment and performance of the Obligations;

(h) Subject to clause (c) above, to its knowledge, except for, and upon, the filing with the United States Patent and Trademark Office with respect to the Patents and Trademarks and the Register of Copyrights with respect to the Copyrights necessary to perfect the security interests created hereunder and except as has been already made or obtained, no authorization, approval or other action by, and no notice to or filing with, any U.S. governmental authority of U.S. regulatory body is required either (i) for the grant by Debtor of the security interest granted hereby or for the

execution, delivery or performance of this IP Agreement by Debtor in the United States or (ii) subject to the provisions of Section 2 hereof, for the perfection in the United States or the exercise by Secured Party of its rights and remedies thereunder;

(i) All information heretofore, herein or hereafter supplied to Secured Party by or on behalf of Debtor with respect to the Intellectual Property Collateral is accurate and complete in all material respects;

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

(k) Upon any Responsible Officer of Debtor obtaining actual knowledge thereof, Debtor will promptly notify Secured Party in writing of (i) any Material Adverse Effect pertaining to the value of any material Intellectual Property Collateral, (ii) any Material Adverse Effect in or upon the composition of the Intellectual Property Collateral, including but not limited to any ownership right of the Debtor in or to any Intellectual Property Collateral, (iii) any application or registration relating to any material item of the Intellectual Property Collateral which may or has become abandoned or dedicated to the public or placed in the public domain or invalid or unenforceable, 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, the United States Copyright Office or any foreign counterpart thereof or any court) regarding Borrower's or any Subsidiary's ownership of any of the Intellectual Property Collateral, its right to register the same or to keep and maintain and enforce the same.

6. Secured Party's Rights. Secured Party shall have the right, but not the obligation, to take, at Debtor's sole expense, any actions that Debtor is required under this IP Agreement to take but which Debtor fails to take, after ten (10) days' notice to Debtor. Debtor shall reimburse and indemnify Secured Party for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this Section 6.

7. Inspection Rights. Debtor hereby grants to Secured Party and its employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable written notice to Debtor, and any of Debtor's plants and facilities that manufacture, install or store products (or that have done so during the prior six-month period) that are sold utilizing any of the Intellectual Property Collateral, and to inspect the products and quality control records relating thereto upon reasonable written notice to Debtor and as often as may be reasonably requested; provided, however, nothing herein shall entitle Secured Party access to Debtor's trade secrets and other proprietary information.

8. Further Assurances; Attorney in Fact.

(a) On a continuing basis from and after the time at which the security interest granted in favor of Lender in Section 2 has attached and become effective in accordance with Section 2, Debtor will, subject to any prior licenses, encumbrances and restrictions and prospective licenses, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademarks Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as requested by Secured Party, to perfect Secured Party's security interest in all Copyrights, Patents, Trademarks, and, other Intellectual Property Collateral and otherwise to carry out the intent and purposes of this IP Agreement, or for assuring and confirming to Secured Party the grant or perfection of a security interest in all Intellectual Property Collateral.

(b) Debtor hereby irrevocably appoints Secured Party as Debtor's attorney-in-fact, with full authority in the place and stead of Debtor and in the name of Debtor, Secured Party or otherwise, from time to time in Secured Party's discretion from and after the time at which the security interest granted in favor of Lender in Section 2 has attached and become effective in accordance with Section 2, upon Debtor's failure or inability to do so, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this IP Agreement, including:

(i) To modify, in its sole discretion, this IP Agreement without first obtaining Debtor's approval of or signature to such modification by amending Exhibit A, Exhibit B, and Exhibit C hereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents, Trademarks, and, other Intellectual Property Collateral acquired by Debtor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents, Trademarks, and, other Intellectual Property Collateral in which Debtor no longer has or claims any right, title or interest; and

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

9. Events of Default. The occurrence of an Event of Default under the Loan Agreement shall constitute an Event of Default under this IP Agreement.

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

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

12. Reassignment. At such time as Debtor shall completely satisfy all of the obligations secured hereunder, Secured Party shall execute and deliver to Debtor all deeds, assignments, and other instruments as may be necessary or proper to reinvest in Debtor full title to the property assigned hereunder, subject to any disposition thereof which may have been made by Secured Party pursuant hereto.

13. Course of Dealing. No course of dealing, nor any failure to exercise, nor any delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

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

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

16. Counterparts. This IP Agreement may be executed in two or more counterparts, each party may sign on a separate counterpart, each of which shall be deemed an original but all of which together shall constitute the same instrument.

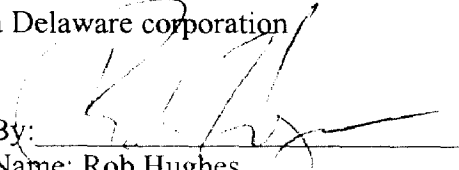
17. Law and Jurisdiction. This IP Agreement shall be governed by and construed in accordance with the laws of the State of Utah, without regard for choice of law provisions.

18. Confidentiality. In handling any confidential information, Secured Party shall exercise the same degree of care that it exercises with respect to its own proprietary information of the same types, but in no event less than reasonable care, to maintain the confidentiality of any non-public information thereby received or received pursuant to this IP Agreement except that the disclosure of this information may be made (i) to the affiliates of the Secured Party, provided that they have entered into comparable confidentiality agreements in favor of Debtor and have delivered a copy to Debtor, (ii) to prospective transferees or purchasers of an interest in the obligations secured hereby, provided that they have entered into comparable confidentiality agreements in favor of Debtor and have delivered a copy to Debtor, (iii) as required by law, regulation, rule or order, subpoena, judicial order or similar order and (iv) as may be required in connection with the examination, audit or similar investigation of Secured Party.

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


Debtor:

TENFOLD CORPORATION
a Delaware corporation

By: 
Name: Rob Hughes
Title: Chief Financial Officer

Secured Party:

BANK ONE, UTAH, NATIONAL ASSOCIATION
a national banking association

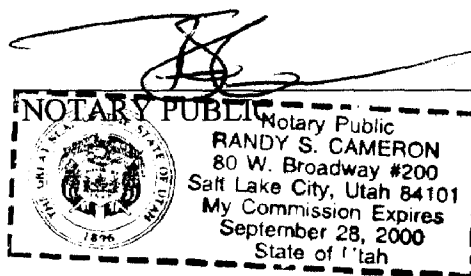
By: 
Name: Randy S. Cameron
Title: Senior Vice President

STATE OF UTAH)
 :SS.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 18th day of January, 1999, by Rob Hughes, the Chief Financial Officer of TENFOLD CORPORATION, a Delaware corporation, on behalf of the corporation.

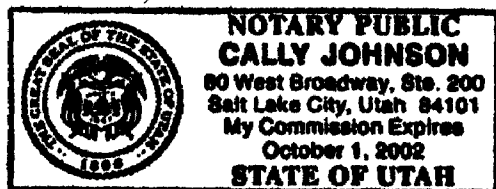
[seal]

STATE OF UTAH)
 :SS.
COUNTY OF SALT LAKE)



The foregoing instrument was acknowledged before me this 19th day of January, 1999, by Randy S. Cameron, a Senior Vice President of BANK ONE, UTAH, NATIONAL ASSOCIATION, a national banking association, on behalf of the association.

[seal]



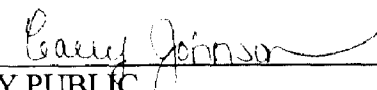

NOTARY PUBLIC

Exhibit "A" attached to that certain Second Modification and Restatement of Intellectual Property Security Agreement dated January 18, 1999.

EXHIBIT "A"
COPYRIGHTS

SCHEDULE A - ISSUED COPYRIGHTS

| <u>COPYRIGHT DESCRIPTION</u> | <u>REGISTRATION NUMBER</u> | <u>DATE OF ISSUANCE</u> |
|----------------------------------|--------------------------------|-----------------------------|
|----------------------------------|--------------------------------|-----------------------------|

SCHEDULE B- PENDING COPYRIGHT APPLICATIONS

| <u>COPYRIGHT</u> <u>DESCRIPTION</u> | <u>APPLICATION</u> <u>NUMBER</u> | <u>DATE OF</u> <u>FILING</u> | <u>DATE OF</u> <u>CREATION</u> | <u>FIRST DATE</u> <u>OF PUBLIC</u> <u>DISTRIBUTION</u> |
|--|-------------------------------------|---------------------------------|-----------------------------------|--|
|--|-------------------------------------|---------------------------------|-----------------------------------|--|

SCHEDULE C - UNREGISTERED COPYRIGHTS (Where No Copyright Application is Pending)

| COPYRIGHT DESCRIPTION | DATE OF CREATION | FIRST DATE OF DISTRIBUTION | ORIGINAL AUTHOR OR OWNER OF COPYRIGHT (IF DIFFERENT FROM DEBTOR | DATE AND RECORDATION NUMBER OF IP AGREEMENT TO OWNER OF DEBTOR (IF ORIGINAL AUTHOR OR OWNER OF COPYRIGHT IS DIFFERENT FROM DEBTOR |
|--------------------------|---------------------|----------------------------------|--|---|
| | | | | |

EXHIBIT "B"

PATENTS

| <u>PATENT DESCRIPTION</u> | <u>DOCKET NO.</u> | <u>COUNTRY</u> | <u>SERIAL NO.</u> | <u>FILING DATE</u> | <u>STATUS</u> |
|-------------------------------------|-------------------|----------------|-------------------|--------------------|---------------|
| Tenfold Omnibus ("Jumbo") Patent | 14302.1 | United States | 08\932255 | 09/17/97 | Pending |
| Tenfold Omnibus ("Jumbo") Patent | 14302.1a | PCT | 08\932255 | 09/15/98 | Pending |
| Tenfold AutoTest Patent #1 | 14302.14 | United States | 09\111049 | 07/08/98 | Pending |
| Tenfold AutoTest Patent #2 | N/A | United States | N/A | N/A | In Process |
| Tenfold Interpreter Patent | N/A | United States | N/A | N/A | In Process |
| Tenfold Reporter Patent | N/A | United States | N/A | N/A | In Process |

EXHIBIT "C"

TRADEMARKS/SERVICE MARKS

| <u>MARK DESCRIPTION</u> | <u>JURISDICTION</u> | <u>APPLICATION/ SERIAL NUMBER</u> | <u>REG. NO.</u> | <u>STATUS</u> |
|--|---------------------|---------------------------------------|-----------------|---------------|
| 3-D 10 Design | United States | 75/662,669 | N/A | Pending |
| Application Xpress | United States | 75/822,857 | N/A | Pending |
| Billing Now! | United States | 75/797,907 | N/A | Pending |
| DESIGN 10 | United States | 75/281,463 | 2,273,313 | Registered |
| Energy Now! | United States | 75/797,915 | N/A | Pending |
| Logic Xpress | United States | 75/824,499 | N/A | Pending |
| Logistics Now! | United States | 75/797,906 | N/A | Allowed |
| Price Now! | United States | 75/797,834 | N/A | Allowed |
| TENFOLD | United States | 75/204,970 | 2,298,482 | Registered |
| Tenfold Commercial Lines Manager | United States | 75/823,324 | 2,395,694 | Registered |
| Tenfold Energy Data Manager | United States | 75/838,124 | 2,379,745 | Registered |
| Tenfold Fast Start | United States | 75/838,879 | N/A | Pending |
| TENFOLD REVENUE MANAGER | United States | 75/371,993 | 2,296,650 | Registered |
| TENFOLD.COM | United States | 75/281,465 | N/A | Allowed |
| THE POWER OF TEN | United States | 75/303,267 | N/A | Allowed |
| THE TENFOLD WAY | United States | 75/331,528 | N/A | Allowed |
| Trade Now! | United States | 75/797,904 | N/A | Pending |

| <u>MARK DESCRIPTION</u> | <u>JURISDICTION</u> | <u>APPLICATION/ SERIAL NUMBER</u> | <u>REG. NO.</u> | <u>STATUS</u> |
|--|---------------------|---------------------------------------|-----------------|---------------|
| UNIVERSAL APPLICATION | United States | 75/417,646 | N/A | Pending |
| 10 Device | Canada | 1,020,756 | N/A | Pending |
| Application Xpress | Canada | 1,054,620 | N/A | Pending |
| AUTOTEST | Canada | 1,054,619 | N/A | Pending |
| Billing Now! | Canada | 1,048,113 | N/A | Pending |
| eCritical | Canada | 1,048,117 | N/A | Pending |
| Energy Now! | Canada | 1,046,569 | N/A | Pending |
| Logic Xpress | Canada | 1,051,473 | N/A | Pending |
| Logistics Now! | Canada | 1,048,114 | N/A | Pending |
| MISC DESIGN TENFOLD | Canada | 876,736 | N/A | Allowed |
| Price Now! | Canada | 1,048,116 | N/A | Pending |
| TENFOLD | Canada | 851,020 | TMA532,384 | Registered |
| TenFold Commercial Lines Manager | Canada | 1,051,471 | N/A | Pending |
| Tenfold Energy Data Manager | Canada | 1,057,011 | N/A | Pending |
| Tenfold Fast Start | Canada | 1,054,444 | N/A | Pending |
| TENFOLD REVENUE MANAGER | Canada | 875,117 | N/A | Allowed |
| TENFOLD.COM | Canada | 875,288 | N/A | Pending |
| THE POWER OF TEN | Canada | 875,289 | N/A | Pending |
| THE TENFOLD WAY | Canada | 867,795 | N/A | Allowed |
| Trade Now! | Canada | 1,048,115 | N/A | Pending |

| <u>MARK DESCRIPTION</u> | <u>JURISDICTION</u> | <u>APPLICATION/ SERIAL NUMBER</u> | <u>REG. NO.</u> | <u>STATUS</u> |
|----------------------------------|---------------------|---------------------------------------|-----------------|---------------|
| UNIVERSAL APPLICATION | Canada | 883,731 | N/A | Pending |
| TENFOLD | China | 970,092,903 | 1217846 | Registered |
| 10 Device | European Union | 001218866 | N/A | Pending |
| Application Xpress | European Union | 001620111 | N/A | Pending |
| AUTOTEST | European Union | 001601129 | N/A | Pending |
| Billing Now! | European Union | 001501899 | N/A | Pending |
| eCritical | European Union | 001494764 | N/A | Pending |
| Energy Now! | European Union | 001503812 | N/A | Pending |
| Logic Xpress | European Union | 001561471 | N/A | Pending |
| Logistics Now! | European Union | 001511526 | N/A | Pending |
| MISC DESIGN TENFOLD EUROPE | European Union | 619,114 | N/A | Pending |
| Price Now! | European Union | 001510320 | N/A | Pending |
| TENFOLD | European Union | 572289 | 000572289 | Registered |
| Tenfold Energy Data Manager | European Union | 001629864 | N/A | Pending |
| Tenfold Fast Start | European Union | 001593706 | N/A | Pending |
| TENFOLD REVENUE MANAGER | European Union | 775,935 | 000775932 | Registered |
| TENFOLD.COM | European Union | 601989 | 000601989 | Registered |
| THE POWER OF TEN | European Union | 672,881 | 000672881 | Registered |
| THE TENFOLD WAY | European Union | 729210 | 729210 | Registered |
| Trade Now! | European Union | 001509538 | N/A | Pending |

| <u>MARK DESCRIPTION</u> | <u>JURISDICTION</u> | <u>APPLICATION/ SERIAL NUMBER</u> | <u>REG. NO.</u> | <u>STATUS</u> |
|-----------------------------|---------------------|---------------------------------------|-----------------|---------------|
| UNIVERSAL APPLICATION | European Union | 854,539 | N/A | Pending |