

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is entered into as of January 31, 2001 by and between IMPERIAL BANK ("*Bank*") and EVOLVE SOFTWARE, INC., a Delaware corporation ("*Grantor*").

RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodations to Grantor (the "*Loans*") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor dated as of the date hereof (as the same may be amended, modified or supplemented from time to time, the "*Loan Agreement*"). Capitalized terms used herein without definition shall have the same meanings given to them in the Loan Agreement.

B. Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

C. Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement and all other agreements now existing or hereafter arising between Grantor and Bank, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreement and under any other agreement now existing or hereafter arising between Bank and Grantor, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including, without limitation, those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), and 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), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreement or in any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and

concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

Grantor represents and warrants that Exhibits A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Grantor has registered or filed, or plans to register or file, an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

Notwithstanding anything contained herein to the contrary, the grant of the security interest provided for herein shall not extend to, and the term "Intellectual Property Collateral" shall not include, any property rights or licenses to the extent that the grant of a security interest therein, or an assignment thereof, would be contrary to applicable law or is prohibited by or would constitute a default under any agreement or document governing such property (but only to the extent that such prohibition is enforceable under applicable law).

So long as no Event of Default has occurred, this Intellectual Property Security Agreement shall terminate and Bank shall release all of its interest in and to the Intellectual Property Collateral upon payment and performance in full by Borrower of its Obligations under the Loan Agreement.

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

GRANTOR:

Address of Grantor:

1400 65th Street, Suite 100
Emeryville, CA 94608
Attn: Douglas Sinclair

EVOLVE SOFTWARE, INC.

By: 

Name: DOUG SINCLAIR

Title: CEO

BANK:

Address of Bank:

555 California Street, Suite 3160
San Francisco, CA 94104
Attn: Benjermin Colombo

IMPERIAL BANK

By: 

Name: Benjamin Colombo

Title: VP Manager

226 Airport Parkway
San Jose, CA 95110
Attn: Corporate Banking Center

EXHIBIT A
COPYRIGHTS

Description	Registration Number	Registration Date
Computer program	TXu904225	April 8, 1999

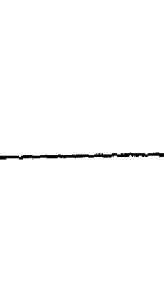

EXHIBIT B

PATENTS





Description	Registration/ Application Number	Registration/ Application Date
1. Method and Apparatus for the Development of Dynamically Configurable Software Systems	09/046,624	03/23/98

EXHIBIT C

TRADEMARKS

Mark/ Serial/Registration No.	Jurisdiction	Int'l (Class(es))	Status	Registration/Application Date
<p>EVOLVE Serial No. 75/002,384 Registration No. 2,265,216</p>	<p>U.S.</p>	<p>9</p>	<p>Registered</p>	<p>REGISTERED July 27, 1999 Original Applicant: Cortez Software International, Inc. (DE); Rights Transferred from Cortez Software International, Inc. (DE) to Evolve Software, Inc. (DE), recorded June 24, 1996 (Reel/Frame 1474/0736)</p>
<p>MISCELLANEOUS DESIGN  Serial No. 75/049,088 Registration No. 2,269,328</p>	<p>U.S.</p>	<p>9</p>	<p>Registered</p>	<p>REGISTERED August 10, 1999</p>
<p>EVOLVE and Design  Serial No. 819,827 Registration No. TMA 523,449</p>	<p>Canada</p>	<p>N/A</p>	<p>Registered</p>	<p>REGISTERED February 21, 2000</p>

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Mark/ Serial/Registration No.	Jurisdiction	Int'l (Class(es))	Status	Registration/Application Date
EVOLVE and Design  Serial No. 275889 Reg. No. 536,864	Mexico	9	Registered	REGISTERED October 3, 1996
EVOLVE and Design  Serial No. 08-088847	Japan	9	Pending	FILED August 7, 1996
EVOLVE and Design  Registration No. 327312	EC	9	Registered	REGISTERED August 9, 1996
EVOLVE and Design  Registration No. 819484660	Brazil	Local Class 9.40	Registered	REGISTERED April 27, 1999

Mark/ Serial/Registration No.	Jurisdiction	Int'l (Class(es))	Status	Registration/Application Date
SERVICESPHERE Serial No. 75/471,640 Registration No. 2,371,553	U.S.	9	Registered	REGISTERED July 25, 2000
SERVICESPHERE Serial No. 894100	Canada	N/A	Pending	FILED October 21, 1998 Published August 17, 2000 Response filed August 2, 2000 REGISTERED April 7, 2000
SERVICESPHERE Registration No. 971556	EC	9	Registered	REGISTERED December 3, 1999
SERVICESPHERE Serial No. 10-90640 Registration No. 4341089	Japan	9	Registered	REGISTERED July 4, 2000
SERVICESPHERE and Design Serial No. 75/526,346 Registration No. 2,365,202	U.S.	9	Registered	REGISTERED July 4, 2000
SERVICESPHERE and Design Serial No. 1003261	Canada	N/A	Pending	FILED January 26, 1999 Published August 18, 2000 Response filed August 2, 2000 REGISTERED May 25, 2000
SERVICESPHERE and Design Registration No. 001060821	EC	9	Registered	REGISTERED March 31, 2000
SERVICESPHERE and Design Serial No. 11-6549 Registration No. 4372728	Japan	9	Registered	REGISTERED March 31, 2000
SERVICESPHERE and Design Serial No. 75/702,573	U.S.	9	Pending	FILED May 11, 1999 Published August 22, 2000 Response filed April 28, 2000
SERVICESPHERE and Design Serial No. 75/896,930	U.S.	35, 36 and 42	Pending	FILED January 14, 2000

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Mark/ Serial/Registration No.	Jurisdiction	Int'l (Class(es))	Status	Registration/Application Date
RAPIDCONNECT	U.S.			
SERVICESITE	U.S.	9		
SERVICESXML Serial No. 76/124,521	U.S.	9	Pending	Filed September 8, 2000
SXML Serial No. 76/127,535	U.S.	9	Pending	Filed September 13, 2000

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