

02-14-2001



FORM PTO-1594

(Rev. 6-93)

HEET

U.S. DEPARTMENT OF COMMERCE

Patent and Trademark Office

101614016

To the Honorable Commissioner of Patents and Trademarks. Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
 All Bases Covered, Inc.
 1001 Marshall Street, Suite 200
 Redwood City, CA 94063

Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State California
 Other _____

Additional name(s) of conveying party(ies) attached? Yes
 No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other Amendment No. 1 to Intellectual Property Security Agreement

Execution Date: September 5, 2000

2. Name and address of receiving party(ies):
 Name: Venture Banking Group, a division of Cupertino National Bank & Trust

Internal Address: _____
 Street Address: Three Palo Alto Square, Suite 150
 City: Palo Alto State: CA ZIP 94306

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State _____
 Other Bank

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
 (Designation must be a separate document from Assignment).
 Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)
75/557,557; 75/559,791

Additional numbers attached? Yes No

B. Trademark Registration No.(s)

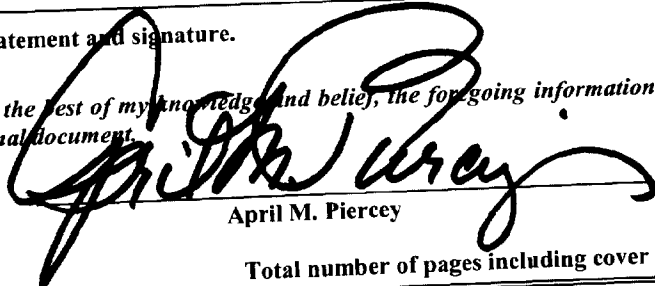
5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Cooley Godward LLP
 Internal Address: Attn: April M. Piercev, CLA
 Street Address: 5 Palo Alto Square
 City: Palo Alto State: CA ZIP 94306

6. Total number of applications and registration involved: 2
 7. Total fee (37 CFR 3.41):..... \$ 65.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: 03-3115
 (Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. 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 original document.


 April M. Piercev

February 13, 2001
 Date

Total number of pages including cover sheet, attachments and documents: _____

Mail documents to be recorded with required cover sheet information to: Commissioner of Patents and Trademarks, Box Assignments, Washington, DC 20231

RECEIVED

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25.00
02/14/2001 DBYRNE
01 FC:481
02 FC:482

AMENDMENT NO. 1 TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS AMENDMENT NO. 1 TO INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of September 5, 2000, (this "*Amendment*"), is entered into by and between ALL BASES COVERED, INC., a California corporation (the "*Borrower*") and VENTURE BANKING GROUP, A DIVISION OF CUPERTINO NATIONAL BANK & TRUST (the "*Bank*").

RECITALS

A. Borrower and Bank entered into a Loan Agreement dated as of July 23, 1999 (as amended by that certain First Amendment to Loan Agreement dated as of May 1, 2000, the "*1999 Loan Agreement*"), pursuant to which the Bank agreed, among other things, to make certain credit accommodations to Borrower. In connection with the 1999 Loan Agreement, Borrower executed in favor of Bank a Commercial Security Agreement dated as of July 23, 1999 (together with the 1999 Loan Agreement, the "*Original Loan Agreement*"), and an Intellectual Property Security Agreement dated as of July 23, 1999 (the "*IP Security Agreement*"). The Original Loan Agreement is being amended and restated concurrently herewith, pursuant to the terms and conditions of an Amended and Restated Loan and Security Agreement of even date herewith (the "*Loan Agreement*"). In connection therewith, Borrower and Bank desire to amend the IP Security Agreement in the manner and subject to the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recital and the mutual covenants hereinafter set forth, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Borrower and Bank hereby agree as follows:

1. **Definitions.** Capitalized terms used herein but not otherwise defined shall have the meanings given to them in the Loan Agreement.

2. **Amendments to IP Security Agreement.** The IP Security Agreement is hereby amended as follows:

2.1 **Definitions.** The definition of "*Loan Agreement*" in the IP Security Agreement is hereby deleted in its entirety and replaced with the definition of "*Loan Agreement*" set forth in **Recital A** of this Amendment.

2.2 **Exhibit A.** Exhibit A attached to the IP Security Agreement is hereby deleted in its entirety and the Exhibit A attached hereto is substituted therefor.

2.3 **Exhibit C.** Exhibit C attached to the IP Security Agreement is hereby deleted in its entirety and the Exhibit C attached hereto is substituted therefor.

2.4 Signature Block. The Borrower's address contained in the signature block of the IP Security Agreement is hereby deleted in its entirety and replaced with the following:

1001 Marshall Street, Suite 200
Redwood City, CA 94063

3. Reference to and Effect on the IP Security Agreement and other Loan Documents. Upon the effectiveness of this Amendment, on or after the date hereof, each reference in the IP Security Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import shall mean and be a reference to the IP Security Agreement as amended by this Amendment, and each reference in any other document in which the IP Security Agreement is referenced shall also mean and be a reference to the IP Security Agreement, as amended by this Amendment.

4. Limited Amendment. Each of the amendments set forth in this Amendment shall be limited precisely as written and shall not be deemed to be an amendment of any other term or condition of the IP Security Agreement, to prejudice any right or remedy which any party may now have or may have in the future under or in connection with the Amendment, or to be a consent to any future amendment.

5. Expenses. The Borrower agrees to pay, upon demand, to the Bank, the amount of any and all reasonable out-of-pocket expenses, including the reasonable fees and expenses of its counsel, which the Bank may incur in connection with the preparation, documentation, and negotiation of this Amendment.

6. Full Force and Effect. Except to the extent expressly provided in this Amendment, the terms and conditions of the IP Security Agreement shall remain in full force and effect.

7. Counterparts; Effectiveness. This Amendment may be executed in any number of counterparts, each of which when so delivered shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument. Each such agreement shall become effective upon the execution of a counterpart hereof or thereof by each of the parties hereto.

8. Governing Law and Waiver of Jury Trial. Section 15 of the IP Security Agreement is hereby incorporated herein by this reference and shall apply to this Amendment.

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

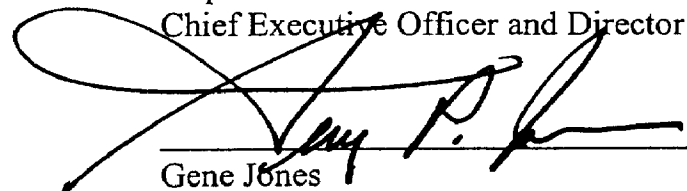
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BORROWER

ALL BASES COVERED, INC.



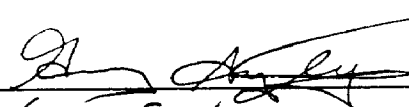
Stephen Lewis
Chief Executive Officer and Director



Gene Jones
Chief Financial Officer and Secretary

BANK

**VENTURE BANKING GROUP, A DIVISION OF
CUPERTINO NATIONAL BANK & TRUST**



By: Garry Senty
Its: AVP

EXHIBIT A
COPYRIGHTS

None

EXHIBIT C

TRADEMARKS/SERVICE MARKS

TRADEMARK	TRADEMARK APPLICATION	TRADEMARK REGISTRATION	DATE	ASSIGNMENT HISTORY	OWNER OF RECORD
ALL BASES COVERED	75/557,557		9/24/98	All Systems Go, Inc. assigned to All Bases Covered, Inc. on 3/18/99.	All Bases Covered, Inc.
ALL BASES	75/559,791		9/25/98	All Systems Go, Inc. assigned to All Bases Covered, Inc. on 3/18/99.	All Bases Covered, Inc.

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is made as of July 23, 1999, by and between All Bases Covered, Inc. ("Borrower"), and Venture Banking Group, a division of Cupertino National Bank ("Lender").

RECITALS

A. Lender has agreed to lend to Borrower certain funds (the "Loan"), and Borrower desires to borrow such funds from Lender pursuant to the terms of a Loan Agreement and Business Loan Agreement of even date herewith (collectively, the "Loan Agreement").

B. In order to induce Lender to make the Loan, Borrower has agreed to grant a first priority security interest in certain intangible property to Lender for purposes of securing the obligations of Borrower to Lender.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of Borrower's present or future indebtedness, obligations and liabilities to Lender, Borrower hereby assigns, transfers, conveys and grants a first priority security interest to Lender, as security, in and to Borrower's entire right, title and interest in, to and under the following (all of which shall collectively be called the "Collateral"):

(a) Any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof that is created by Borrower, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including without limitation those set forth on Exhibit A attached hereto (collectively, the "Copyrights");

(b) Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

(c) Any and all design rights which may be available to Borrower now or hereafter existing, created, acquired or held;

(d) All patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "Patents");

(e) Any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks, including without limitation those set forth on Exhibit C attached hereto (collectively, the "Trademarks");

(f) Right to the proceeds (excluding attorneys' and other professional and expert fees and expenses) arising from any and all claims for damages by way of past, present and future infringement of any of the rights included above, with the right, but not the obligation, to sue on behalf of and collect such damages for said use or infringement of the intellectual property rights identified above;

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

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

(i) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

2. Authorization and Request. Borrower authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this security agreement.

3. Covenants and Warranties. Borrower represents, warrants, covenants and agrees as follows:

(a) Borrower is now the sole owner of the Collateral, except for non-exclusive licenses granted by Borrower to its customers in the ordinary course of business;

(b) Performance of this Agreement does not conflict with or result in a breach of any agreement to which Borrower is party or by which Borrower is bound, except to the extent that certain intellectual property agreements prohibit the assignment of the rights thereunder to a third party without the licensor's or other party's consent and this Agreement constitutes an assignment;

(c) During the term of this Agreement, Borrower will not transfer or otherwise encumber any interest in the Collateral, except for non-exclusive licenses granted by Borrower in the ordinary course of business or as set forth in this Agreement;

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

(e) Borrower shall promptly advise Lender of any material change in the composition of the Collateral, including but not limited to any subsequent ownership right of the Borrower in or to any Trademark, Patent or Copyright not specified in this Agreement;

(f) Borrower shall (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights, (ii) use its best efforts to detect infringements of the Trademarks, Patents and Copyrights and promptly advise Lender in writing of material infringements detected and (iii) not allow any Trademarks, Patents or Copyrights to be abandoned, forfeited or dedicated to the public without the written consent of Lender, which shall not be unreasonably withheld (provided that abandonment of intent to use applications shall not require Lender's consent), unless Borrower determines that reasonable business practices suggest that abandonment is appropriate.

(g) Borrower shall file registration applications for the most recent version of any of Borrower's Copyrights, if not so already registered, from time to time as Lender may reasonably request and shall, from time to time, execute and file such other instruments, and take such further actions as Lender may reasonably request from time to time to perfect or continue the perfection of Lender's interest in the Collateral;

(h) This Agreement creates, and in the case of after acquired Collateral, this Agreement will create at the time Borrower first has rights in such after acquired Collateral, in favor of Lender a valid and perfected first priority security interest in the Collateral in the United States securing the payment and performance of the obligations evidenced by the two Promissory Notes each dated July 15, 1999, executed by Borrower in favor of Lender upon making the filings referred to in clause (i) below;

(i) 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 and assignment created hereunder, and the filing of a financing statement (Form UCC-1) 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 or U.S. regulatory body is required either

(i) for the grant by Borrower of the security interest granted hereby or for the execution, delivery or performance of this Agreement by Borrower in the U.S. or (ii) for the perfection in the United States or the exercise by Lender of its rights and remedies hereunder;

(j) All information heretofore, herein or hereafter supplied to Lender by or on behalf of Borrower with respect to the Collateral is accurate and complete in all material respects.

(k) Borrower shall not enter into any agreement that would materially impair or conflict with Borrower's obligations hereunder without Lender's prior written consent, which consent shall not be unreasonably withheld. Borrower 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 Borrower's rights and interests in any property included within the definition of the 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 except that Borrower shall not be prohibited from granting exclusive and non-exclusive licenses, or entering into marketing and distribution agreements in the normal course of its business.

(l) Upon any executive officer of Borrower obtaining actual knowledge thereof, Borrower will promptly notify Lender in writing of any event that materially adversely affects the aggregate value of all Collateral, the ability of Borrower to dispose of a material amount of Collateral or the rights and remedies of Lender in relation thereto, including the levy of any legal process against a material amount of the Collateral.

4. Lender's Rights. Lender shall have the right, but not the obligation, to take, at Borrower's sole expense, any actions that Borrower is required under this Agreement to take but which Borrower fails to take, after fifteen (15) days' notice to Borrower. Borrower shall reimburse and indemnify Lender for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this section 4.

5. Inspection Rights. Borrower hereby grants to Lender and its employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable written notice to Borrower, any of Borrower'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 Collateral, and to inspect the products and quality control records relating thereto upon reasonable written notice to Borrower, provided that unless an Event of Default has occurred and is continuing, such inspections shall occur no more frequently than once every six calendar months.

6. Further Assurances; Attorney in Fact.

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

(b) Borrower hereby irrevocably appoints Lender as Borrower's attorney-in-fact, with full authority in the place and stead of Borrower and in the name of Borrower, from time to time in Lender's discretion, to take any action and to execute any instrument which Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including:

(i) To modify, in its sole discretion, this Agreement without first obtaining Borrower's approval of or signature to such modification by amending Exhibit A, Exhibit B and Exhibit C, thereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by Borrower after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Borrower 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 Collateral without the signature of Borrower where permitted by law.

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

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

(b) Borrower breaches any warranty or agreement made by Borrower in this Agreement and, as to any breach that is capable of cure, Borrower fails to cure such breach within five (5) days of the occurrence of such breach.

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

9. Indemnity. Borrower agrees to defend, indemnify and hold harmless Lender 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 Agreement, and (b) all losses or expenses in any way suffered, incurred, or paid by Lender as a result of or in any way arising out of, following or consequential to transactions between Lender and Borrower, whether under this Agreement or otherwise (including without limitation reasonable attorneys' fees and reasonable expenses), except for losses arising from or out of Lender's gross negligence or willful misconduct.

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

11. 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.

12. Attorneys' Fees. If any action relating to this 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.

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

14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

15. California Law and Jurisdiction; Jury Waiver. This Agreement shall be governed by the laws of the State of California, without regard for choice of law provisions. Borrower and Lender consent to the exclusive jurisdiction of any state or federal court located in Santa Clara County, California. Borrower AND Lender EACH WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THE LOAN AGREEMENT, THIS AGREEMENT, OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

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

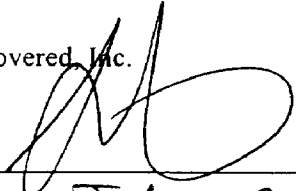
Address of Borrower:

1093 Charter Street
Redwood City, CA 94063

Attn: _____

Borrower:

All Bases Covered, Inc.

By: 
STEPHEN J. LEWIS, CEO

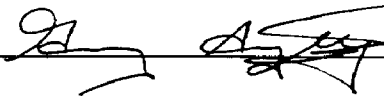
Address of Lender:

Three Palo Alto Square, Suite 150
Palo Alto, CA 94306

Attn: Nan Walton

Lender:

Venture Banking Group, a division of
Cupertino National Bank

By: 

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

Address of Borrower:

1093 Charter Street
Redwood City, CA 94063

Attn: _____

Borrower:

All Bases Covered, Inc.

By: Tom B. Ah

Address of Lender:

Three Palo Alto Square, Suite 150
Palo Alto, CA 94306

Attn: Nan Walton

Lender:

Venture Banking Group, a division of
Cupertino National Bank

By: [Signature]

EXHIBIT A

Copyrights

Description

Registration/
Application
Number

Registration/
Application
Date

N/A

EXHIBIT B

Patents

Description

Registration/
Application
Number

Registration/
Application
Date

N/A

EXHIBIT C

Trademarks

Description

Registration/
Application
Number

Registration/
Application
Date

N/A