

4-6-01

04-06-2001



FORM PTO-1594
(Rev 5-93)

101657749

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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

<p>1. Name of conveying party(ies): COVALENT TECHNOLOGIES, INC.</p> <p>Individual(s) citizenship: Association: General Partnership: Limited Partnership: Corporation - State: DELAWARE</p> <p>Additional name(s) of conveying party(ies) attached? [] Yes [X] No</p> <p>3. Nature of Conveyance: [] Assignment [] Merger [X] Security Agreement [] Change of Name [] Other</p> <p>Execution Date: February 21, 2001</p>	<p>2. Name and address of receiving party(ies): Name: IMPERIAL BANK Address: 226 AIRPORT PARKWAY City: SAN JOSE State: WA Zip: 95110-1024</p> <p>Individual(s) citizenship: Association: General Partnership: Limited Partnership: Corporation - State: Other: a California chartered bank</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: [] Yes [] No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? [] Yes [X] No</p>
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<p>4. Application number(s) or trademark number(s): A. Trademark Application No.(s) 76/189,865 76,189/765 76/192,352 76/197,254 76/197,257</p>	<p>B. Trademark Registration No.(s)</p>
Additional numbers attached? [] Yes [X] No	

<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: Evelyn G. Santiago Internal Address: GRAY CARY WARE & FREIDENRICH 400 Hamilton Avenue Palo Alto, California 94301</p>	<p>6. Total number of applications and registrations involved: 5</p> <p>7. Total fee (37 CFR 3.41) \$ 140.00 [x] Enclosed [] Authorized to be charged to deposit account</p> <p>8. Deposit account number: _____ (Attach duplicate copy of this page if paying by deposit account)</p>
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ASSIGNMENT DIVISION

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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 the original document.

Evelyn G. Santiago April 5, 2001
Name of Person Signing Signature Date

Total number of pages comprising cover sheet: [6]

Mail Documents to be recorded with required cover sheet information to:
U.S. Patent and Trademark Office, Office of Public Records
1213 Jefferson Davis Highway, 3rd Floor
Arlington, VA 22202

04/06/2001 GT0N11 00000129 76189865
01 FC:481 40.00 DP
02 FC:482 100.00 DP

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1090371-956800

TRADEMARK
REEL: 002265 FRAME: 0698

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of February 21, 2001 by and between IMPERIAL BANK ("Bank") and COVALENT TECHNOLOGIES, INC., a Delaware corporation ("Grantor").

RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodation 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 of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined 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, 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 Exhibits 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 and shall terminate upon (i) payment of all Obligations under the Loan Agreement and (ii) termination of Bank's commitment to make Credit Extensions to Grantor 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 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. Upon termination of Bank's security interests hereunder, Bank shall promptly execute and deliver to Borrower a release of Bank's security interests granted hereunder in a form that is recordable at the United States Patent and Trademark Office or the United States Copyright Office, as applicable, and is reasonably acceptable to Grantor and its counsel. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument.

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 an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

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

Address of Grantor:

706 Mission Street, 2nd Floor
San Francisco, CA 94103

Attn: Chief Financial Officer

GRANTOR:

COVALENT TECHNOLOGIES, INC.

By: 

Title: PRESIDENT & CEO

Address of Bank:

226 Airport Parkway
San Jose, CA 95110-1024

Attn: Corporate Banking Center

BANK:

IMPERIAL BANK

By: 

Title: Assistant Vice President

EXHIBIT A

Copyrights

<u>Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
Covalent Secure Server	pending	pending
Covalent Manage Server	pending	pending
Covalent Commerce Server	pending	pending
Covalent SSL	pending	pending
Covalent SNMP	pending	pending
Covalent Intrusion Detection	pending	pending
Covalent Anti-Virus	pending	pending
Covalent Credator	pending	pending
Covalent Fast Start	pending	pending

EXHIBIT B

Patents

Description

Registration/
Application
Number

Registration/
Application
Date

EXHIBIT C

Trademarks

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
Covalent	76/189,865	01/04/01
Covalent	76/189,765	01/04/01
Covalent	76/192,352	01/09/01
Covalent Technologies	76/197,254	01/19/01
Covalent Technologies	76/197,257	01/19/01