FORM 8-K

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AXS ONE INC

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 26, 2009**

AXS-ONE INC.
(Exact name of Registrant as specified in its charter)

Delaware	**0-26358**	**13-2966911**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

301 Route 17 North, Rutherford, New Jersey 07070
(Address of principal executive offices, including zip code)

(201) 935-3400
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

See Item 2.03 below.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

On June 26, 2009, AXS-One Inc. (the "Company") entered into a Standby Convertible Note Purchase Agreement (the "Purchase Agreement") pursuant to which it sold and issued an aggregate of $250,000 of Series 2009 5% Secured Convertible Promissory Notes (the "Notes"). Net proceeds to the Company after transaction expenses and the payment of commitment fees were approximately $175,000. The Notes were sold in a private placement under Rule 506 promulgated under the Securities Act of 1933, as amended, to four accredited investors, including one member of the Company's Board of Directors and one investor affiliated with a member of the Company's Board of Directors.

If the closing of the pending merger (the "Merger") with Unify Corporation ("Unify") does not occur prior to June 30, 2010, the Company will be required to repay in full the entire principal amount of the Notes plus all accrued and unpaid interest thereon on that date or, if the closing of the Merger does occur prior to June 30, 2010, the Company will be required to repay the principal amount of the Notes plus all accrued and unpaid interest thereon in twelve equal monthly installments of principal and interest commencing on the one year anniversary of the date of the closing of the Merger; provided, however, that, in each case, if, prior to the repayment by the Company of the entire principal amount of the Notes plus all accrued and unpaid interest thereon, there occurs a sale of all or substantially all of the Company's assets or an acquisition of the Company other than the Merger or an acceleration of the Company's obligations under or as contemplated by the Notes, the Company will be required to repay in full the entire principal amount of the Notes plus all accrued and unpaid interest thereon on the date of that sale, acquisition or acceleration.

If the closing of the Merger occurs, the Notes will be convertible into common stock of Unify at a fixed conversion rate of $3.00 per share (subject to adjustment for stock splits, combinations and dividends) and may be converted in whole or in part at the option of each Note holder at any time after the closing of the Merger and prior to the one year anniversary of the date of the closing of the Merger. The Notes bear interest of 5% per annum and are secured by substantially all the assets of the Company pursuant to a security agreement (the "Security Agreement") among the Company and the secured parties set forth therein.

The Notes rank senior in priority of payment and in all other respects to the Series E 6% Secured Convertible Promissory Notes sold and issued by the Company for the aggregate amount of $1,100,000 on October 30, 2008, the Series D 6% Secured Convertible Promissory Notes sold and issued by the Company for the aggregate amount of $2,100,000 on July 24, 2008, the Series C 6% Secured Convertible Promissory Notes sold and issued by the Company for the aggregate amount of $3,750,000 on November 16, 2007, and the Series A 6% Secured Convertible Promissory Notes and Series B 6% Secured Convertible Promissory Notes sold and issued by the Company for the aggregate amount of $5,000,000 on May 29, 2007 (collectively, the "Prior Notes"). The security interest of the holders of the Prior Notes have been subordinated to the security interest of the holders of the Notes pursuant to a Third Amended and Restated Subordination Agreement dated as of June 26, 2009 (the "Subordination Agreement"). Pursuant to the Subordination Agreement, the security interests of the holders of the Notes and the Prior Notes have been subordinated to the security interest of Sand Hill Finance ("Sand Hill"), the Company's current senior lender. In addition, under the terms of the Subordination Agreement, if the closing of the Merger occurs, the security interests of the holders of the Notes and the Prior Notes and the security interest of Sand Hill will be subordinated to the security interest of ComVest Capital LLC, Unify's current senior lender.

Pursuant to the terms of a Fourth Security Agreement Amendment dated June 26, 2009, among the Company and the secured parties set forth therein (the "Fourth Security Agreement Amendment"), the security interest of the Notes ranks senior in priority of payment and in all other respects to the security interest granted in connection with the Prior Notes.

In addition, in connection with the financing under the Purchase Agreement, Unify entered into an Investor Rights Agreement on June 26, 2009 (the "Investor Rights Agreement"), which sets forth Unify's obligations relating to the registration of the shares of Unify common stock underlying the Notes, including a requirement that Unify file a registration statement with respect to that common stock no later than August 29, 2010, subject to certain exceptions set forth in the Investor Rights Agreement.

In addition, in connection with the financing under the Purchase Agreement, each of the Prior Notes was amended pursuant to note amendments (the "Series A Note Amendment," the "Series B Note Amendment," the "Series C Note Amendment," the "Series D Note Amendment" and the "Series E Note Amendment," as the case may be) to extend the maturity date of each of the Prior Notes from July 31, 2009 to June 30, 2010 and to provide that any event of default under the Notes will constitute an event of default under the Prior Notes.

In addition, pursuant to a Waiver of Participation Rights (the "Participation Rights Waiver") the holders of the Prior Notes have agreed to waive their participation rights with respect to the sale and the issuance of the Notes held pursuant to Section 4.7 of the Convertible Note and Warrant Purchase Agreement, dated as of October 30, 2008.

The proceeds from this financing will be used to fund the Company's operations.

The foregoing description of the financing transaction does not purport to be complete and is qualified in its entirety by reference to the definitive transaction documents, consisting of the Purchase Agreement, form of Note, the Third Amended and Restated Subordination Agreement, the Fourth Security Agreement Amendment, the Security Agreement, Investor Rights Agreement, form of Series A Note Amendment, form of Series B Note Amendment, form of Series C Note Amendment, form of Series D Note Amendment, form of Series E Note Amendment and the Participation Rights Waiver. Copies of these documents, other than the Investor Rights Agreement, are filed as Exhibits 10.1 through 10.11 hereto and are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit	Description
10.1	Standby Convertible Note Purchase Agreement
10.2	Form Series 2009 5% Secured Convertible Promissory Note
10.3	Third Amended and Restated Subordination Agreement
10.4	Fourth Security Agreement Amendment
10.5	Security Agreement
10.6	Form of Series A Note Amendment
10.7	Form of Series B Note Amendment
10.8	Form of Series C Note Amendment
10.9	Form of Series D Note Amendment
10.10	Form of Series E Note Amendment
10.11	Waiver of Participation Rights

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AXS-ONE INC.

Date: June 26, 2009

By: /s/ Steve Bonham
Steve Bonham
Vice President and Chief Financial Officer

Exhibit 10.1

STANDBY CONVERTIBLE NOTE PURCHASE AGREEMENT

by and among

AXS-One Inc.

and

the parties named herein on Schedule 1, as Purchasers

June 26, 2009

This **STANDBY CONVERTIBLE NOTE PURCHASE AGREEMENT** (this "*Agreement*") is dated as of June 26, 2009, among AXS-One Inc., a Delaware corporation (the "*Company*"), and the purchasers identified on Schedule 1 hereto (each a "*Purchaser*" and collectively the "*Purchasers*").

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(2) of the Securities Act (as defined below), and Rule 506 promulgated thereunder, the Company desires to issue and sell to the Purchasers, and the Purchasers, severally and not jointly, desire to purchase from the Company an aggregate principal amount of up to $250,000 of Series 2009 5% Secured Convertible Promissory Notes (the "*Series 2009 Notes*"), convertible, under certain circumstances, at the election of each holder into shares of common stock, $0.001 par value (the "*Unify Common Stock*"), of Unify Corporation, a Delaware corporation ("*Unify*"), at a conversion price of $3.00 per share, as more fully set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

ARTICLE I

DEFINITIONS AND TERMS OF NOTES

1.1 Definitions.

In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings indicated in this Section 1.1:

"*Affiliate*" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 144. With respect to a Purchaser, any investment fund or managed account that is managed on a discretionary basis by the same investment manager as such Purchaser shall be deemed to be an Affiliate of such Purchaser.

"*Agent*" shall have the meaning ascribed to such term in the Security Agreement.

"*Agreement*" shall have the meaning ascribed to such term in the Preamble.

"*Blue Sky Laws*" shall have the meaning ascribed to such term in Section 3.1(e)(ii).

"*Business Day*" means any day except Saturday, Sunday and any day which shall be a federal legal holiday or a day on which banking institutions in the State of New Jersey are authorized or required by law or other governmental action to close.

"*Closing*" shall have the meaning ascribed to such term in Section 2.1(a).

"*Closing Date*" shall have the meaning ascribed to such term in Section 2.1(a).

"*Commission*" means the Securities and Exchange Commission.

"*Common Stock*" means the common stock of the Company, $0.01 par value per share, and any securities into which such common stock may hereafter be reclassified.

"*Company*" shall have the meaning ascribed to such term in the Preamble.

"*Company IP*" shall have the meaning ascribed to such term in Section 3.1(j)(i).

"*Contemplated Transactions*" shall have the meaning ascribed to such term in Section 3.1(a)(ii).

"*Disclosure Schedules*" means the Disclosure Schedules concurrently delivered herewith.

"*Evaluation Date*" shall have the meaning ascribed to such term in Section 3.1(o).

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Financial Statements*" shall have the meaning ascribed to such term in Section 3.1(g)(iv).

"*First Security Agreement Amendment*" means the Security Agreement Amendment, dated as of November 16, 2007, among the Company, each of the Prior Purchasers and certain other parties to the Prior Security Agreement.

"*Fourth Security Agreement Amendment*" means the Fourth Security Agreement Amendment among the Company, each of the Purchasers and certain other parties to the Prior Security Agreement, the First Security Agreement Amendment, the Second Security Agreement Amendment and the Third Security Agreement Amendment, in the form of Exhibit B hereto.

"*GAAP*" shall have the meaning ascribed to such term in Section 3.1(g)(v).

"*Governmental Body*" shall have the meaning ascribed to such term in Section 3.1(e)(ii).

"*Indemnified Party*" shall have the meaning ascribed to such term in Section 5.3(a).

"*Indemnifying Party*" shall have the meaning ascribed to such term in Section 5.3(a).

"*Investor Rights Agreement*" means the Investor Rights Agreement between Unify and each of the Purchasers and other parties thereto, in the form of Exhibit A hereto.

"*July 2008 Purchase Agreement*" means that certain Convertible Note and Warrant Purchase Agreement, dated as of July 24, 2008, by and among the Company and the other parties set forth on Schedule 1 thereto as purchasers.

"*Legal Requirement*" shall have the meaning ascribed to such term in Section 3.1(f).

"*Lien*" means a lien, charge, security interest, encumbrance, right of first refusal or other restriction, except for a lien for current taxes not yet due and payable and a minor imperfection of title, if any, not material in nature or amount and not materially detracting from the value or impairing the use of the property subject thereto or impairing the operations or proposed operations of the Company.

"*Material Adverse Effect*" shall have the meaning ascribed to such term in Section 3.1(a)(i).

"*Material Agreements*" shall have the meaning ascribed to such term in Section 3.1(e)(i).

"*Material Permits*" shall have the meaning ascribed to such term in Section 3.1(s).

"*May 2007 Purchase Agreement*" means that certain Convertible Note and Warrant Purchase Agreement, dated as of May 29, 2007, by and among the Company and the other parties set forth on Schedule 1 thereto as purchasers.

"*November 2007 Purchase Agreement*" means that certain Convertible Note and Warrant Purchase Agreement, dated as of November 13, 2007, by and among the Company and the other parties set forth on Schedule 1 thereto as purchasers.

"*October 2008 Purchase Agreement*" means that certain Convertible Note and Warrant Purchase Agreement, dated as of October 30, 2008, by and among the Company and the other parties set forth on Schedule 1 thereto as purchasers.

"*Person*" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"*Prior Notes*" means the Series A Secured Convertible Promissory Notes and Series B Secured Convertible Promissory Notes issued pursuant to the May 2007 Purchase Agreement, the Series C Secured Convertible Promissory Notes issued pursuant to the November 2007 Purchase Agreement, the Series D Secured Convertible Promissory Notes issued pursuant to the July 2008 Purchase Agreement and the Series E Secured Convertible Promissory Notes issued pursuant to the October 2008 Purchase Agreement.

"*Prior Purchase Agreements*" means the May 2007 Purchase Agreement, the November 2007 Purchase Agreement, the July 2008 Purchase Agreement and the October 2008 Purchase Agreement.

"*Prior Purchaser*" means a purchaser of Prior Notes, in such capacity, pursuant to the Prior Purchase Agreements or any of them.

"*Prior Security Agreement*" means the Security Agreement, dated as of May 29, 2007, among the Company, the Prior Purchasers and certain other parties as set forth therein, as amended pursuant to the First Security Agreement Amendment, the Second Security Agreement Amendment, the Third Security Agreement Amendment and the Fourth Security Agreement Amendment.

"*Purchaser*" shall have the meaning ascribed to such term in the Preamble.

"*Rule 144*" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"*Sand Hill Agreement*" means the Financing Agreement, dated as of May 22, 2008, as amended from time to time, between the Company and Sand Hill Finance, LLC.

"*SEC Documents*" shall have the meaning ascribed to such term in Section 3.1(g)(i).

"*Second Security Agreement Amendment*" means the Second Security Agreement Amendment, dated as of July 24, 2008, among the Company, each of the Prior Purchasers and certain other parties to the Prior Security Agreement and the First Security Agreement Amendment.

"*Securities*" means the Series 2009 Notes and the Unify Common Stock.

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Security Agreement*" means the Security Agreement between the Company and each of the Purchasers, in the form of Exhibit F hereto.

"*Series 2009 Notes*" shall have the meaning ascribed to such term in the recitals hereto.

"*Subordination Agreement*" means the Third Amended and Restated Subordination Agreement between the Agent, acting on behalf of the Purchasers and the Prior Purchasers, and Sand Hill Finance, LLC, in the form of Exhibit C hereto.

"*Subscription Amount*" means, as to each Purchaser, the amount set forth beside such Purchaser's name on Schedule 1 hereto, in United States dollars.

"*Subsidiary*" means, with respect to any entity, any corporation or other organization of which securities or other ownership interest having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions, are directly or indirectly owned by such entity or of which such entity is a partner or is, directly or indirectly, the beneficial owner of 50% or more of any class of equity securities or equivalent profit participation interests.

"*Third Security Agreement Amendment*" means the Third Security Agreement Amendment, dated as of October 30, 2008, among the Company, each of the Prior Purchasers and certain other parties to the Prior Security Agreement, the First Security Agreement Amendment and the Second Security Amendment.

"*Trading Day*" means (i) a day on which the Common Stock is traded on a Trading Market, (ii) if the Common Stock is not listed on a Trading Market, a day on which the Common Stock is traded on the over-the-counter market, as reported by the OTC Bulletin Board, or (iii) if the Common Stock is not quoted on the OTC Bulletin Board, a day on which the Common Stock is quoted in the over-the-counter market as reported by Pink Sheets LLC (or any similar organization or agency succeeding to its functions of reporting prices); provided, that in the event that the Common Stock is not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

"*Trading Market*" means the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question (or any successors thereto): the NYSE Amex, the New York Stock Exchange, the Nasdaq Global Market or the Nasdaq Capital Market.

"*Transaction Documents*" means this Agreement, the Series 2009 Notes, the Security Agreement, the Fourth Security Agreement Amendment, the Subordination Agreement and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"*Unify Common Stock*" shall have the meaning ascribed to such term in the recitals hereto.

1.2 Terms of the Series 2009 Notes. The terms and provisions of the Series 2009 Notes are set forth in the form of Series 2009 5% Secured Convertible Promissory Note, attached hereto as Exhibit D.

ARTICLE II

PURCHASE AND SALE

2.1 Closing.

(a) The closing of the transactions contemplated under this Agreement (the "*Closing*") shall take place upon the execution of this Agreement by the Company and the Purchasers immediately following satisfaction or waiver of the conditions set forth in Sections 2.2 and 2.3 (other than those conditions which by their terms are not to be satisfied or waived until the Closing), at the offices of Wiggin and Dana LLP, 400 Atlantic Street, Stamford, CT 06901 (or remotely via exchange of documents and signatures) or at such other place or day as may be mutually acceptable to the Purchasers and the Company. The date on which the Closing occurs is the "*Closing Date*".

(b) At the Closing, the Purchasers shall purchase, severally and not jointly, and the Company shall issue and sell, an aggregate maximum principal amount of up to $250,000 of Series 2009 Notes. Each Purchaser shall purchase from the Company, and the Company shall issue and sell to each Purchaser, an amount of Series 2009 Notes in such aggregate principal amount as is set forth next to such Purchaser's name on Schedule 1. The Company shall have the right to borrow funds from the Purchasers from time to time as provided in the Series 2009 Notes.

(c) As an inducement to the Purchasers to purchase Series 2009 Notes, the Company agrees to pay a commitment fee on the Closing Date to each Purchaser in an amount equal to 20% of each Purchaser's Subscription Amount.

2.2 Conditions to Obligations of Purchasers to Effect the Closing.

The obligations of each Purchaser to effect the Closing and the transactions contemplated by this Agreement shall be subject to the satisfaction at or prior to the Closing of each of the following conditions, any of which may be waived, in writing, by such Purchaser:

(a) At the Closing (unless otherwise specified below) the Company shall deliver or cause to be delivered to each Purchaser the following:

(i) this Agreement, duly executed by the Company;

(ii) an original Series 2009 Note for such Purchaser in the maximum principal amount that is set forth on Schedule 1 hereto next to such Purchaser's name, duly executed by the Company;

(iii) the Investor Rights Agreement, duly executed by Unify;

(iv) the Security Agreement, duly executed by the Company

(v) the Fourth Security Agreement Amendment, duly executed by the Company and each of the parties other than Purchasers required to execute such agreement in order for it to constitute a valid amendment of the Security Agreement;

(vi) a legal opinion of Wiggin and Dana LLP, counsel to the Company, in the form of Exhibit E hereto;

(vii) the Subordination Agreement, duly executed by Sand Hill Finance, LLC and the Company which shall include, among other things, Sand Hill Finance, LLC's consent to the Contemplated Transactions;

(viii) a certificate of the Secretary of the Company, attaching a true copy of the certificate of incorporation and bylaws of the Company, as amended to the Closing Date, and attaching true and complete copies of the resolutions of the Board of Directors of the Company authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents;

(ix) a waiver of preemptive rights duly executed by each of the Prior Purchasers under the Prior Purchase Agreements pursuant to which such Prior Purchasers waive their preemptive rights with respect to the Contemplated Transactions; and

(x) amendments to the Prior Notes, duly executed by the Company.

(b) All representations and warranties of the Company contained in the Transaction Documents shall remain true and correct in all material respects as of the Closing Date as though such representations and warranties were made on such date (except those representations and warranties that address matters only as of a particular date will remain true and correct as of such date).

(c) As of the Closing Date, there shall have been no Material Adverse Effect with respect to the Company since the date hereof.

(d) From the date hereof to the Closing Date, trading in the Common Stock shall not have been suspended by the Commission (except for any suspension of trading of limited duration agreed to by the Company, which suspension shall be terminated prior to the Closing), and, at any time prior to the Closing Date, trading in securities generally as reported by Bloomberg Financial Markets shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New Jersey State authorities.

2.3. Conditions to Obligations of the Company to Effect the Closing.

The obligations of the Company to effect the Closing and the transactions contemplated by this Agreement shall be subject to the satisfaction at or prior to the Closing of each of the following conditions, any of which may be waived, in writing, by the Company:

(a) At the Closing, each Purchaser shall deliver or cause to be delivered to the Company the following:

(i) this Agreement, duly executed by such Purchaser;

(ii) such Purchaser's Subscription Amount, by wire transfer of immediately available funds;

(iii) an original Series 2009 Note for such Purchaser in the maximum principal amount that is set forth on Schedule 1 hereto next to such Purchaser's name, countersigned by such Purchaser;

(iv) the Investor Rights Agreement, duly executed by such Purchaser;

(v) the Security Agreement, duly executed by such Purchaser;

(vi) the Fourth Security Agreement Amendment, duly executed by such Purchaser; and

(vii) the Subordination Agreement, duly executed by Sand Hill Finance, LLC and the Agent;

(b) All representations and warranties of each of the Purchasers contained herein shall remain true and correct as of the Closing Date as though such representations and warranties were made on such date.

(c) The Company shall have received the Fourth Security Agreement Amendment, duly executed by each party other than the Purchasers or the Company to execute such agreement in order for it to constitute a valid amendment of the Security Agreement.

(d) The Company shall have received a waiver of preemptive rights duly executed by each of the Prior Purchasers under the Prior Purchase Agreements pursuant to which such Prior Purchasers waive their preemptive rights with respect to the Contemplated Transactions.

(e) The Company shall have received amendments to the Prior Notes duly executed by each of the holders of the Prior Notes.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as set forth under the corresponding section of the Disclosure Schedules delivered concurrently herewith and except as provided in the SEC Documents, the Company hereby makes the following representations and warranties as of the date hereof and as of the Closing Date to each Purchaser:

(a) Corporate Organization; Authority; Due Authorization.

(i) The Company (A) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, (B) has the corporate power and authority to own or lease its properties as and in the places where its business is now conducted and to carry on its business as now conducted and (C) is duly qualified as a foreign corporation authorized to do business in every jurisdiction where the failure to so qualify, individually or in the aggregate, would have a material adverse effect on the operations, assets, liabilities, financial condition or business of the Company and its Subsidiaries taken as a whole (a "*Material Adverse Effect*"). Set forth in Schedule 3.1(a) is a complete and correct list of all Subsidiaries. Each Subsidiary is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and is qualified to do business as a foreign corporation in each jurisdiction in which qualification is required, except where failure to so qualify would not have, individually or in the aggregate, a Material Adverse Effect.

(ii) The Company (A) has the requisite corporate power and authority to execute, deliver and perform this Agreement and the other Transaction Documents to which it is a party and to incur the obligations herein and therein and (B) has been authorized by all necessary corporate action to execute, deliver and perform this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby (the "*Contemplated Transactions*"). This Agreement is and each of the other Transaction Documents will be on the Closing Date a valid and binding obligation of the Company enforceable against the Company in accordance with its terms except as limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditors' rights and the availability of equitable remedies (regardless of whether such enforceability is considered in a proceeding at law or equity).

(b) Capitalization.

(i) As of the date hereof, the authorized capital stock of the Company consisted of (i) 125,000,000 shares of Common Stock, of which 41,133,925 shares of Common Stock were outstanding as of April 3, 2009, and (ii) 5,000,000 shares of Preferred Stock, $0.01 par value, of which no shares were outstanding. All outstanding shares of capital stock of the Company were issued in compliance with all applicable federal securities laws, and the issuance of such shares was duly authorized by all necessary corporate action on the part of the Company. Except as contemplated by this Agreement or as set forth in the SEC Documents or in Schedule 3.1(b), there are (A) no outstanding subscriptions, warrants, options, conversion privileges or other rights or agreements obligating the Company to purchase or otherwise acquire or issue any shares of capital stock of the Company (or shares reserved for such purpose), (B) no preemptive rights contained in the Company's certificate of incorporation, as amended, the bylaws of the Company or contracts to which the Company is a party or rights of first refusal with respect to the issuance of additional shares of capital stock of the Company other than such rights as have been duly waived as of the date hereof and (C) no commitments or understandings (oral or written) of the Company to issue any shares, warrants, options or other rights to acquire any equity securities of the Company. To the Company's knowledge, except as set forth in Schedule 3.1(b), none of the shares of Common Stock are subject to any stockholders' agreement, voting trust agreement or similar arrangement or understanding. Except as set forth in the SEC Documents or in Schedule 3.1(b), the Company has no outstanding bonds, debentures, notes or other obligations the holders of which have the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the stockholders of the Company on any matter.

(ii) With respect to each Subsidiary, except as set forth in Schedule 3.1(b), (i) all the issued and outstanding shares of each Subsidiary's capital stock have been duly authorized and validly issued, are fully paid and nonassessable, have been issued in compliance with applicable securities laws and were not issued in violation of or subject to any preemptive rights or other rights to subscribe for or purchase securities and (ii) there are no outstanding options to purchase, or any preemptive rights or other rights to subscribe for or to purchase, any securities or obligations convertible into, or any contracts or commitments to issue or sell, shares of any Subsidiary's capital stock or any such options, rights, convertible securities or obligations. Except as disclosed in the SEC Documents or Schedule 3.1(b), the Company beneficially owns 100% of the outstanding equity securities of each Subsidiary.

(c) Private Offering. Neither the Company nor anyone acting on its behalf has within the last 12 months issued, sold or offered any security of the Company to any Person under circumstances that would cause the issuance and sale of the Series 2009 Notes, as contemplated by this Agreement, to be subject to the registration requirements of Section 5 of the Securities Act. The Company agrees that neither the Company nor anyone acting on its behalf will offer the Series 2009 Notes or any part thereof or any similar securities for issuance or sale to, or solicit

any offer to acquire any of the same from, anyone so as to make the issuance and sale of the Series 2009 Notes subject to the registration requirements of Section 5 of the Securities Act.

(d) Brokers and Finders' Fees. No brokerage or finder's fees or commissions are or will be payable by the Company to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by this Agreement. The Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by this Agreement.

(e) No Conflict; Required Filings and Consents.

(i) The execution, delivery and performance of this Agreement and the other Transaction Documents by the Company do not, and the consummation by the Company of the Contemplated Transactions will not, (A) conflict with or violate the certificate of incorporation or the bylaws of the Company or its Subsidiaries, (B) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to the Company or its Subsidiaries or by which any property or asset of the Company or its Subsidiaries is bound or affected or (C) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, result in the loss of a material benefit under or give to others any right of purchase or sale, or any right of termination, amendment, acceleration, increased payments or cancellation of, or result in the creation of a Lien on any property or asset of the Company or of any of its Subsidiaries pursuant to, any material note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any of its Subsidiaries is a party or by which the Company or of any of its Subsidiaries is bound or affected (the "*Material Agreements*").

(ii) The execution and delivery of this Agreement and the other Transaction Documents by the Company do not, and the performance of this Agreement and the other Transaction Documents and the consummation by the Company of the Contemplated Transactions will not, require, on the part or in respect of the Company, any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Body (as hereinafter defined) except for the filing of a Form D with the Commission and applicable requirements, if any, of the Exchange Act or any state securities or "blue sky" laws (collectively, "*Blue Sky Laws*"), and any approval required by applicable rules of the markets in which the Company's securities are traded. For purposes of this Agreement, "*Governmental Body*" shall mean any: (A) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (B) federal, state, local, municipal, foreign or other government; or (C) governmental or quasi-governmental authority of any nature (including any governmental division, department, agency, commission, instrumentality, official, organization, unit, body or entity and any court or other tribunal).

(f) Compliance. Except as set forth in the SEC Documents or in Schedule 3.1(f), neither the Company nor any Subsidiary is in conflict with, or in default or violation of (A) any law, rule, regulation, order, judgment or decree applicable to the Company or such Subsidiary or by which any property or asset of the Company or such Subsidiary is bound or affected ("*Legal Requirement*"), or (B) any Material Agreement, in each case except for any such conflicts, defaults or violations that would not, individually or in the aggregate, have a Material Adverse Effect. Neither the Company nor any Subsidiary has received any written notice or other communication from any Governmental Body regarding any actual or possible violation of, or failure to comply with, any Legal Requirement, except any such violations or failures that would not, individually or in the aggregate, have a Material Adverse Effect.

(g) SEC Documents; Financial Statements.

(i) The information contained in the following documents did not, as of the date of the applicable document, include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading, as of their respective filing dates or, if amended, as so amended (the following documents, collectively, the "*SEC Documents*"), provided that the representation in this sentence shall not apply to any misstatement or omission in any SEC Document filed prior to the date of this Agreement which was superseded by a subsequent SEC Document filed prior to the date of this Agreement: (A) the Company's Annual Report on Form 10-K for the year ended December 31, 2008, as amended by Form 10-K/A Amendment No. 1 thereto; (B) the Company's definitive Proxy Statement with respect to its 2008 Annual Meeting of Stockholders, filed with the Commission on April 9, 2008; (C) the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2009; and (D) the Company's Current Reports on Form 8-K filed February 2, 2009, February 6, 2009, April 14, 2009, April 21, 2009, May 12, 2009, May 13, 2009 and May 29, 2009.

(ii) In addition, as of the date of this Agreement, the Disclosure Schedules, when read together with the SEC Documents and the information, qualifications and exceptions contained in this Agreement, do not include any untrue statement of a material fact.

(iii) The Company has filed all forms, reports and documents required to be filed by it with the Commission for the 12 months preceding the date of this Agreement, including without limitation the SEC Documents. As of their respective dates, the SEC Documents filed prior to the date hereof complied as to form in all material respects with the applicable requirements of the Securities Act, the Exchange Act and the rules and regulations thereunder.

(iv) The Company's Annual Report on Form 10-K for the year ended December 31, 2008, includes consolidated balance sheets as of December 31, 2007 and 2008 and consolidated statements of income and cash flows for the one year periods then ended (collectively, the "*Financial Statements*").

(v) The Financial Statements (including the related notes and schedules thereto) have been prepared in accordance with generally accepted accounting principles in the United States, applied on a consistent basis during the periods involved ("*GAAP*"), except as may be otherwise specified in such Financial Statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, subject to normal year-end audit adjustments. The Financial Statements (including the related notes and schedules thereto) fairly present in all material respects the consolidated financial position, the results of operations, retained earnings or cash flows, as the case may be, of the Company for the periods set forth therein (subject, in the case of unaudited statements, to normal year-end audit adjustments that would not be material in amount or effect), in each case in accordance with GAAP, consistently applied during the periods involved, except as may be noted therein.

(h) Litigation. Except as set forth in the SEC Documents or in Schedule 3.1(h), there are no claims, actions, suits, investigations, inquiries or proceedings pending against the Company or any of its Subsidiaries or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries, at law or in equity, or before or by any court, tribunal, arbitrator, mediator or any federal or state commission, board, bureau, agency or instrumentality, that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. Except as set forth in the SEC Documents or in Schedule 3.1(h), neither the Company nor any of its Subsidiaries is a party to or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(i) Absence of Certain Changes. Except as specifically contemplated by this Agreement or as set forth in Schedule 3.1(i) or in the SEC Documents, since December 31, 2008, there has not been (a) any Material Adverse Effect; (b) any dividends or other distribution of assets to stockholders of the Company; (c) any acquisition (by merger, consolidation, acquisition of stock and/or assets or otherwise) of any Person by the Company; or (d) any transactions, other than in the ordinary course of business, consistent in all material respects with past practices, with any of its officers, directors or principal stockholders or any of their respective Affiliates.

(j) Intellectual Property.

(i) The Company and its Subsidiaries own, or have the right to use, sell or license all intellectual property reasonably required for the conduct of their respective businesses as presently conducted (collectively, the "*Company IP*") except for any failure to own or have the right to use, sell or license the Company IP that would not have a Material Adverse Effect.

(ii) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not constitute a breach of any instrument or agreement governing any Company IP, will not cause the forfeiture or termination or give rise to a right of forfeiture or termination of any Company IP or impair the right of Company and its Subsidiaries to use, sell or license any Company IP.

(iii) (A) None of the manufacture, marketing, license, sale and use of any product currently licensed or sold by the Company or any of its Subsidiaries (x) violates any license or agreement between the Company or any of its Subsidiaries and any third party, (y) to the knowledge of the Company, infringes any patent of any other party; or (z) to the knowledge of the Company, infringes any copyright, trademark or trade secret of any other party, and (B) there is no pending or, to the knowledge of the Company, threatened claim or litigation contesting the validity, ownership or right to use, sell, license or dispose of any Company IP.

(k) No Adverse Actions. Except as set forth in the SEC Documents or in Schedule 3.1(k), there is no existing, pending or, to the knowledge of the Company, threatened termination, cancellation, limitation, modification or change in the business relationship of the Company or any of its Subsidiaries with any supplier, customer or other Person except such as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(l) Corporate Documents. The Company's certificate of incorporation and bylaws, each as amended to date, which have been requested and previously provided to the Purchasers are true, correct and complete and contain all amendments thereto.

(m) Insurance. The Company and its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged. Neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(n) Transactions with Affiliates and Employees. Except as set forth in the SEC Documents, none of the officers or directors of the Company and, to the Company's knowledge, none of the employees of the Company is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract or other arrangement providing for the furnishing of services to or by, proving for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the Company's knowledge, any entity in which any officer, director or any such employee has a substantial interest or is an officer, director, trustee or partner, in each case in excess of $100,000, other than (i) for payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company or the Subsidiaries or (iii) for other employee benefits, including stock option or restricted stock agreements under any stock option plan of the Company.

(o) Sarbanes-Oxley; Internal Accounting Controls . The Company is in material compliance with all provisions of the Sarbanes-Oxley Act of 2002 which are applicable to it as of the Closing Date. The Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company has established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. The Company's certifying officers have evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by the Company's most recently filed periodic report under the Exchange Act (such date, the "*Evaluation Date*"). The Company presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since

the Evaluation Date, there have been no changes in the Company's internal control over financial reporting (as such term is defined in the Exchange Act) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(p) Application of Takeover Protections . The Company and its Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's certificate of incorporation (or similar charter documents) or the laws of its state of incorporation that is or could become applicable to the Purchasers as a result of the Purchasers and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including without limitation as a result of the Company's issuance of the Series 2009 Notes and the Purchasers' ownership thereof.

(q) No Other Representations. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the Contemplated Transactions other than those specifically set forth in Section 3.2 hereof.

(r) Acknowledgement Regarding Purchasers' Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding, it is understood and acknowledged by the Company that none of the Purchasers have been asked to agree, nor has any Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Series 2009 Notes for any specified term. The Company further understands and acknowledges that (i) one or more Purchasers may engage in hedging activities at various times during the period that the Series 2009 Notes are outstanding and (ii) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Company at and after the time that the hedging activities are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

(s) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Documents, except where the failure to possess such permits could not have or reasonably be expected to result in a Material Adverse Effect ("*Material Permits*"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(t) Title to Assets. Except as set forth in Schedule 3.1(t), the Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them that is material to the business of the Company and the Subsidiaries and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and Liens for the payment of federal, state or other taxes, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance.

(u) Disclosure. The Transaction Documents, and the exhibits and schedules attached thereto, when taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading in light of the circumstances under which they were made.

3.2 Representations and Warranties of the Purchasers.

Each Purchaser hereby, for itself and for no other Purchaser, represents and warrants as of the date hereof and as of the Closing Date to the Company as follows:

(a) Organization; Authority; Enforceability. Such Purchaser (other than individuals) is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with full power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations thereunder. The execution, delivery and performance by such Purchaser of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate or similar action on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and rules of law governing specific performance, injunctive relief, or other equitable remedies.

(b) General Solicitation. Such Purchaser is not purchasing the Series 2009 Notes as a result of any advertisement, article, notice or other communication regarding the Series 2009 Notes published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(c) No Public Sale or Distribution. Such Purchaser is acquiring the Series 2009 Notes for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof; *provided, however*, that by making the representations herein, such Purchaser does not agree to hold any of the Series 2009 Notes for any minimum or other specific term and reserves the right to dispose

of the Series 2009 Notes at any time in accordance with or pursuant to a registration statement or an exemption under the Securities Act. Such Purchaser is acquiring the Series 2009 Notes hereunder in the ordinary course of its business. Such Purchaser does not have any agreement or understanding, directly or indirectly, with any Person to distribute any of the Securities.

(d) Accredited Investor Status. Such Purchaser is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

(e) Residency. Such Purchaser is a resident of the jurisdiction set forth below such Purchaser's name on Schedule 1 attached hereto.

(f) Reliance on Exemptions. Such Purchaser understands that the Series 2009 Notes are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Purchaser's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of such Purchaser to acquire the Series 2009 Notes.

(g) Information. Such Purchaser and its advisors, if any, have been furnished with all publicly available materials (or such materials have been made available to such Purchaser) relating to the business, finances and operations of the Company and such other publicly available materials relating to the offer and sale of the Series 2009 Notes as have been requested by such Purchaser, including without limitation (i) the SEC Documents, (ii) Unify's Annual Report on Form 10-K for the year ended April 30, 2008, as amended by Form 10-K/A Amendment No. 1 thereto, (iii) Unify's Quarterly Reports on Form 10-Q for the periods ended July 31, 2008, October 31, 2008 and January 31, 2008, (iv) Unify's definitive Proxy Statement with respect to its 2009 Annual Meeting of Stockholders, filed with the Commission on February 27, 2009, and (v) Unify's Current Reports on Form 8-K filed June 25, 2008, August 21, 2008, September 5, 2008, November 21, 2008, February 3, 2009, February 26, 2009, April 20, 2009, May 4, 2009 and May 21, 2009. Each Purchaser acknowledges that it has read and understands the risk factors set forth in such documents. Neither such review nor any other due diligence investigations conducted by such Purchaser or its advisors, if any, or its representatives shall modify, amend or affect such Purchaser's right to rely on the Company's representations and warranties contained in the Transaction Documents. Such Purchaser understands that its investment in the Series 2009 Notes involves a high degree of risk.

(h) No Governmental Review. Such Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Series 2009 Notes or the fairness or suitability of the investment in the Series 2009 Notes, nor have such authorities passed upon or endorsed the merits of the offering of the Series 2009 Notes.

(i) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters, including investing in companies engaged in the business in which the Company is engaged, so as to be capable of evaluating the merits and risks of the prospective investment in the Series 2009 Notes, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Series 2009 Notes and, at the present time, is able to afford a complete loss of such investment.

(j) No Other Representations. The Purchaser acknowledges and agrees that the Company does not make or has not made any representations or warranties with respect to the Contemplated Transactions other than those specifically set forth in this Section 3.1.

ARTICLE IV

OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities, other than pursuant to an effective registration statement, to the Company (in the case of a transfer of Series 2009 Notes), to an Affiliate of a Purchaser (who is an accredited investor and executes a customary representation letter) or in connection with a pledge as contemplated in Section 4.1(b), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably satisfactory to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act, *provided, however*, that in the case of a transfer pursuant to Rule 144, no opinion shall be required if the transferor provides the Company with a customary seller's representation letter, and if such sale is not pursuant to subsection (b)(1) of Rule 144, a customary broker's representation letter and a Form 144. Any such transferee that agrees in writing to be bound by the terms of this Agreement and the Investor Rights Agreement shall have the rights of a Purchaser under this Agreement and the Investor Rights Agreement. Except as required by federal securities laws and the securities law of any state or other jurisdiction within the United States, the Securities may be transferred, in whole or in part, by any of the Purchasers at any time. The Company shall reissue certificates evidencing the Series 2009 Notes upon surrender of certificates evidencing the Series 2009 Notes being transferred in accordance with this Section 4.1(a).

(b) The Purchasers agree to the imprinting, so long as is required by this Section 4.1(b), of one or more legends, as applicable, on any of the Securities in substantially the following form:

> THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, SUCH COUNSEL AND THE SUBSTANCE OF SUCH OPINION SHALL BE REASONABLY ACCEPTABLE TO AXS-

ONE INC. UNLESS PROHIBITED BY APPLICABLE LAW, RULE OR REGULATION, THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT.

and on any Series 2009 Note:

"THIS SECURITY AND THE RIGHTS PROVIDED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE TERMS OF THE THIRD AMENDED AND RESTATED SUBORDINATION AGREEMENT OF EVEN DATE HEREWITH BETWEEN THE AGENT OF THE PAYEE AND SAND HILL FINANCE, LLC."

The Company acknowledges and agrees that, unless prohibited by applicable law, rule or regulation, a Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and, if required under the terms of such arrangement, such Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith; provided, however, that such Purchaser shall provide the Company with such documentation as is reasonably requested by the Company to ensure that the pledge is pursuant to a bona fide margin agreement with a registered broker-dealer or a security interest in some or all of the Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act.

4.2 Furnishing of Information. As long as any Purchaser owns Series 2009 Notes, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act. As long as any Purchaser owns Series 2009 Notes, if the Company is not required to file reports pursuant to the Exchange Act, it shall prepare and furnish to the Purchasers and make publicly available in accordance with Rule 144(c)(2), such information as is required for the Purchasers to sell the Series 2009 Notes under Rule 144.

4.3 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Series 2009 Notes in a manner that would require the registration under the Securities Act of the sale of the Series 2009 Notes to the Purchasers or that would be integrated with the offer or sale of the Series 2009 Notes for purposes of the rules and regulations of any applicable Trading Market so as to result in a violation thereof.

4.4 Publicity. The Company shall, within four Business Days following the Closing Date, file a Current Report on Form 8-K, disclosing the Contemplated Transactions and make such other filings and notices regarding the Contemplated Transactions in the manner and time required by the Commission.

4.5 Negative Covenants. Unless approved in writing by those Purchasers holding a majority of the principal amount of the Series 2009 Notes then outstanding, the Company (a) shall not declare or pay any dividend or distribution with respect to any common stock or preferred stock of the Company and (b) shall not incur any secured indebtedness senior to the Series 2009 Notes.

4.6 Senior Debt. Notwithstanding any other provision of the Transaction Documents, the Purchasers hereby acknowledge and consent as follows: (a) the Company may continue to borrow under an accounts receivable formula based revolving line of credit pursuant to the Sand Hill Agreement; and (b) the Company may replace the Sand Hill Agreement with another senior debt facility which shall rank senior to the Series 2009 Notes, provided that such replacement senior debt facility is an accounts receivable formula based revolving line of credit secured solely by accounts receivable of the Company.

ARTICLE V

INDEMNIFICATION, TERMINATION AND DAMAGES

5.1 Survival of Representations.

Except as otherwise provided herein, the representations and warranties of the Company and the Purchasers contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing Date and shall continue in full force and effect for a period of two (2) years from the Closing Date. The Company's and the Purchasers' warranties and representations shall in no way be affected or diminished in any way by any investigation of (or failure to investigate) the subject matter thereof made by or on behalf of the Company or the Purchasers.

5.2 Indemnification.

(a) The Company agrees to indemnify and hold harmless the Purchasers, their Affiliates, each of their officers, directors, employees and agents and their respective successors and assigns, from and against any losses, damages or expenses which are caused by or arise out of (i) any breach or default in the performance by the Company of any covenant or agreement made by the Company in any of the Transaction Documents; (ii) any breach of warranty or representation made by the Company in any of the Transaction Documents; and/or (iii) any and all third party actions, suits, proceedings, claims, demands, judgments, costs and expenses (including reasonable legal fees and expenses) incident to any of the foregoing.

(b) The Purchasers, severally and not jointly, agree to indemnify and hold harmless the Company, its Affiliates, each of their officers, directors, employees and agents and their respective successors and assigns, from and against any losses, damages or expenses which are caused by or arise out of (i) any breach or default in the performance by the Purchasers of any covenant or agreement made by the Purchasers

in any of the Transaction Documents; (ii) any breach of warranty or representation made by the Purchasers in any of the Transaction Documents; and/or (iii) any and all third party actions, suits, proceedings, claims, demands, judgments, costs and expenses (including reasonable legal fees and expenses) incident to any of the foregoing.

5.3 Indemnity Procedure.

(a) A party or parties hereto agreeing to be responsible for or to indemnify against any matter pursuant to this Agreement is referred to herein as the "*Indemnifying Party*" and the other party or parties claiming indemnity is referred to as the "*Indemnified Party*". An Indemnified Party under this Agreement shall, with respect to claims asserted against such party by any third party, give written notice to the Indemnifying Party of any liability which might give rise to a claim for indemnity under this Agreement within sixty (60) Business Days of the receipt of any written claim from any such third party, but not later than twenty (20) days prior to the date any answer or responsive pleading is due, and with respect to other matters for which the Indemnified Party may seek indemnification, give prompt written notice to the Indemnifying Party of any liability which might give rise to a claim for indemnity; *provided, however*, that any failure to give such notice shall not waive any rights of the Indemnified Party except to the extent the rights of the Indemnifying Party are materially prejudiced.

(b) The Indemnifying Party shall have the right, at its election, to take over the defense or settlement of such claim by giving written notice to the Indemnified Party at least fifteen (15) days prior to the time when an answer or other responsive pleading or notice with respect thereto is required. If the Indemnifying Party makes such election, it may conduct the defense of such claim through counsel of its choosing (subject to the Indemnified Party's approval of such counsel, which approval shall not be unreasonably withheld or delayed), shall be solely responsible for the expenses of such defense and shall be bound by the results of its defense or settlement of the claim. The Indemnifying Party shall not settle any such claim without prior notice to and consultation with the Indemnified Party, and no such settlement involving any equitable relief or which might have an adverse effect on the Indemnified Party may be agreed to without the written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed). So long as the Indemnifying Party is diligently contesting any such claim in good faith, the Indemnified Party may pay or settle such claim only at its own expense and the Indemnifying Party shall not be responsible for the fees of separate legal counsel to the Indemnified Party, unless the named parties to any proceeding include both parties or representation of both parties by the same counsel would be inappropriate in the reasonable opinion of counsel to the Indemnified Party, due to conflicts of interest or otherwise. If the Indemnifying Party does not make such election, or having made such election does not, in the reasonable opinion of the Indemnified Party proceed diligently to defend such claim, then the Indemnified Party may (after written notice to the Indemnifying Party), at the expense of the Indemnifying Party, elect to take over the defense of and proceed to handle such claim in its discretion and the Indemnifying Party shall be bound by any defense or settlement that the Indemnified Party may make in good faith with respect to such claim. In connection therewith, the Indemnifying Party shall fully cooperate with the Indemnified Party should the Indemnified Party elect to take over the defense of any such claim. The parties agree to cooperate in defending such third party claims and the Indemnified Party shall provide such cooperation and such access to its books, records and properties (subject to the execution of appropriate non-disclosure agreements) as the Indemnifying Party shall reasonably request with respect to any matter for which indemnification is sought hereunder; and the parties hereto agree to cooperate with each other in order to ensure the proper and adequate defense thereof.

(c) With regard to claims of third parties for which indemnification is payable hereunder, such indemnification shall be paid by the Indemnifying Party upon the earlier to occur of: (i) the entry of a judgment against the Indemnified Party and the expiration of any applicable appeal period, or if earlier, five (5) days prior to the date that the judgment creditor has the right to execute the judgment; (ii) the entry of an unappealable judgment or final appellate decision against the Indemnified Party; or (iii) a settlement of the claim. Notwithstanding the foregoing, the reasonable expenses of counsel to the Indemnified Party shall be reimbursed on a current basis by the Indemnifying Party. With regard to other claims for which indemnification is payable hereunder, such indemnification shall be paid promptly by the Indemnifying Party upon demand by the Indemnified Party.

ARTICLE VI

MISCELLANEOUS

6.1 Fees and Expenses. The Company shall be responsible for the payment of the Purchasers' reasonable and documented legal fees and other third-party expenses relating to the preparation, negotiation and execution of this Agreement and the Transaction Documents and the consummation of the transactions contemplated herein up to an aggregate cap of $15,000.

6.2 Entire Agreement. The Transaction Documents and the Investor Rights Agreement, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

6.3 **Notices**. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified below or on the signature pages attached hereto prior to 5:00 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified below or on the signature pages attached hereto on a day that is not a Trading Day or later than 5:00 p.m. (New York City time) on any Trading Day, (c) the Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Purchasers, at each Purchaser's address set forth under its name on Schedule 1 attached hereto, or with respect to the Company, addressed to:

AXS-One Inc.
301 Route 17 North
Rutherford, New Jersey 07070
Attention: Chief Financial Officer
Facsimile No.: (201) 935-5230

or to such other address or addresses or facsimile number or numbers as any such party may most recently have designated in writing to the other parties hereto by such notice. Copies of notices to the Company (which shall not constitute notice) shall be sent to:

Wiggin and Dana LLP
400 Atlantic Street
Stamford, Connecticut 06901
Attention: Michael Grundei
Facsimile No.: (203) 363-7676

Copies of notices to any Purchaser (which shall not constitute notice) shall be sent to the addresses, if any, listed on Schedule 1 attached hereto.

6.4 **Amendments; Waivers**. No provision of this Agreement may be waived or amended except in a written instrument signed, in the case of an amendment, by the Company and each Purchaser or, in the case of a waiver, by the party against whom enforcement of any such waiver is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right. Until such time as that certain Agreement and Plan of Merger, dated as of April 16, 2009 (the "*Merger Agreement*"), by and among Unify, the Company and UCAC, Inc., a wholly-owned subsidiary of Unify, has been terminated or the transactions contemplated by the Merger Agreement have been consummated, this Agreement shall not be amended or modified without the prior written consent of Unify.

6.5 **Construction**. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction shall be applied against any party.

6.6 **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser. Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom it transfers Series 2009 Notes, provided such transferee agrees in writing to be bound, with respect to the transferred Series 2009 Notes, by the provisions hereof that apply to the Purchasers.

6.7 **No Third-Party Beneficiaries**. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.5 and Article V.

6.8 **Governing Law**. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof.

6.9 **Execution**. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other

party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile or other electronic transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or other electronic signature page were an original thereof.

6.10 **Severability**. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties shall attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

6.11 **Replacement of Series 2009 Notes.** If any certificate or instrument evidencing any of the Series 2009 Notes is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity, if requested by the Company.

6.12 **Remedies**. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company shall be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agrees to waive in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

6.13 **Payment Set Aside**. To the extent that the Company makes a payment or payments to any Purchaser pursuant to any Transaction Document or a Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall, to the extent permissible under applicable law, be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

6.14 **Independent Nature of Purchasers' Obligations and Rights**. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser under any Transaction Document. Nothing contained herein or in any Transaction Document, and no action taken by any Purchaser pursuant thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Document. Except to the extent otherwise specifically provided in the Transaction Documents, each Purchaser shall be entitled to independently protect and enforce its rights, including without limitation, the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose. Each Purchaser has been represented by its own separate legal counsel in their review and negotiation of the Transaction Documents. The Company has elected to provide all Purchasers with the same terms and Transaction Documents for the convenience of the Company and not because it was required or requested to do so by the Purchasers.

6.15 **Waiver of Trial by Jury**. THE PARTIES HERETO IRREVOCABLY WAIVE TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

6.16 **Further Assurances**. Each party agrees to cooperate fully with the other parties and to execute such further instruments, documents and agreements and to give such further written assurances as may be reasonably requested by any other party to better evidence and reflect the transactions described herein and contemplated hereby and to carry into effect the intents and purposes of this Agreement, and further agrees to take promptly, or cause to be taken, all actions, and to do promptly, or cause to be done, all things necessary, proper or advisable under applicable law to consummate and make effective the transactions contemplated hereby, to obtain all necessary waivers, consents and approvals, to effect all necessary registrations and filings and to remove any injunctions or other impediments or delays, legal or otherwise, in order to consummate and make effective the transactions contemplated by this Agreement for the purpose of securing to the parties hereto the benefits contemplated by this Agreement.

6.17 **Like Treatment**. Neither the Company nor any of its Affiliates shall, directly or indirectly, pay or cause to be paid any consideration (immediate or contingent), whether by way of interest, fee, payment for redemption, conversion or exercise of the Series 2009 Notes, or otherwise, to any Purchaser or holder of Series 2009 Notes, for or as an inducement to, or in connection with the solicitation of, any consent, waiver or amendment to any terms or provisions of this Agreement or the other Transaction Documents, unless such consideration is offered to all Purchasers or holders of Series 2009 Notes bound by such consent, waiver or amendment. The Company shall not, directly or indirectly, redeem any Series 2009 Notes unless such offer of redemption is made pro rata to all Purchasers or holders of Series 2009 Notes, as the case may be, on identical terms.

[*Signature pages follow.*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

COMPANY:

AXS-ONE INC.

By: /s/ William P. Lyons
Name: William P. Lyons
Title: CEO

PURCHASERS:

Print Exact Name: BlueLine Capital Partners III, LP

By: /s/ Scott Shuda
Name: Scott Shuda
Title: Managing Director

Address: 402 Railroad Avenue, Suite 201

Danville, CA 94526

Telephone:

Facsimile:

Email:

SSN/EIN:

Amount of Investment: $75,000

[Omnibus AXS-One Inc. Convertible Note and Warrant Purchase Agreement Signature Page]

PURCHASERS:

Print Exact Name: Jurika Family Trust U/A 1989

By: /s/ William K. Jurika
Name: William K. Jurika
Title: Trustee

Address:

42 Glen Alpine Rd.

Piedmont, CA 94611

Telephone:

Facsimile:

Email:

SSN/EIN:

Amount of Investment: $75,000

[Omnibus AXS-One Inc. Convertible Note and Warrant Purchase Agreement Signature Page]

PURCHASERS:

Print Exact Name: Harold D. Copperman

By: /s/ Harold D. Copperman
Name:
Title:

Address: 2804 Tarflower Way

Naples, FL 34105

Telephone:

Facsimile:

Email:

SSN/EIN:

Amount of Investment: $50,000.00

PURCHASERS:

Print Exact Name: Primafides (Suisse) S.A. as
Trustees of Sirius Trust

By: /s/ P. DeSalis /s/ D. Moran
Name: Primafides (Suisse) SA as Trustees of Sirius Trust
Title: Directors

Address: Stonehage SA

Rue du Puits-Godet 12

P.O Box 763

2002 Neuchâtel

Switzerland

Attn, IAD

Telephone:

Facsimile:

Email:

SSN/EIN:

Amount of Investment: $50,000.00

[Omnibus AXS-One Inc. Convertible Note and Warrant Purchase Agreement Signature Page]

Schedule 1

to Standby Convertible Note Purchase Agreement

Name, Address and Fax Number of Purchaser	Aggregate Principal Amount of Series 2009 Notes Purchased	Purchase Price
BlueLine Capital Partners III, LP 402 Railroad Avenue, Suite 202 Danville, CA 94526 Attn: Scott Shuda (925) 988-0287 (fax)	$75,000	$75,000
Jurika Family Trust U/A 3/17/1989 42 Glen Alpine Road Piedmont, CA 94611 Attn: William Jurika (510) 985-1197 (fax)	$75,000	$75,000
Harold D. Copperman 2804 Tarflower Way Naples, FL 34105 (239) 659-4473 (fax)	$50,000	$50,000
Sirius Trust c/o Stonehage SA Rue du Puits-Godet 12 2002 Neuchatel, Switzerland Attn: Anthony Bloom (44) 32-723-1001 (fax)	$50,000	$50,000
Totals:	**$250,000**	**$250,000**

Exhibit 10.2

THIS SECURITY AND THE RIGHTS PROVIDED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE TERMS OF THE THIRD AMENDED AND RESTATED SUBORDINATION AGREEMENT OF EVEN DATE HEREWITH AMONG THE AGENT OF THE PAYEE, THE AGENT OF THE HOLDERS OF THE SERIES A 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES B 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES C 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES D 6% SECURED CONVERTIBLE PROMISSORY NOTES AND THE SERIES E 6% SECURED CONVERTIBLE PROMISSORY NOTES AND SAND HILL FINANCE, LLC.

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, SUCH COUNSEL AND THE SUBSTANCE OF SUCH OPINION SHALL BE REASONABLY ACCEPTABLE TO AXS-ONE INC. UNLESS PROHIBITED BY APPLICABLE LAW, RULE OR REGULATION, THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT.

AXS-ONE INC.

SERIES 2009 5% SECURED CONVERTIBLE PROMISSORY NOTE

U.S. $[_____] **Rutherford, NJ**
No.: [_____] **June 26, 2009**

FOR VALUE RECEIVED, the undersigned, AXS-ONE INC., a Delaware corporation (the "Company"), hereby promises to pay to the order of [_____] or any future holder of this promissory note (the "Payee"), at the principal office of the Payee set forth herein, or at such other place as the holder may designate in writing to the Company, the principal sum of the lesser of (i) [_____] Dollars (US$[_____]) (the "Available Amount") and (ii) so much thereof as shall have been advanced by the Payee to the Company (such lesser amount, the "Principal Amount"), together with all accrued but unpaid interest, in such coin or currency of the United States of America as at the time shall be legal tender for the payment of public and private debts and in immediately available funds, as provided in this promissory note (the "Note").

Provided no Event of Default (as defined below) has occurred, advances under this Note up to an aggregate amount not exceeding the Available Amount may be requested from time to time upon written notice by the Company to the Payee (each, an "Advance Request"). Within two (2) Business Days of receipt of an Advance Request, the Payee shall pay to the Company the amount requested by wire transfer in immediately funds to an account designated by the Company. A record of all advances under this Note shall be maintained by each of the Company and the Payee in substantially the form of Exhibit A hereto; provided, however, that the failure to so record shall in no way limit the Company's obligations with respect to repayment of all amounts due and owing hereunder.

This Note is one of a duly authorized issue of Series 2009 5% Secured Promissory Notes of the Company, in an aggregate principal amount of up to Two Hundred and Fifty Thousand Dollars (US$250,000) (collectively, the "Promissory Notes") issued pursuant to that certain Standby Convertible Note Purchase Agreement dated as of the date hereof (the "Purchase Agreement"; capitalized terms used herein without definition shall have the meanings assigned in the Purchase Agreement). The Promissory Notes rank *pari passu* in priority of payment and in all other respects with one another and rank senior to (i) all of the Series A 6% Secured Convertible Promissory Notes and the Series B 6% Secured Convertible Promissory Notes sold and issued by the Company for the aggregate amount of $5,000,000 on May 29, 2007, pursuant to a Convertible Note and Warrant Purchase Agreement (the "May 2007 Notes"), (ii) all of the Series C 6% Secured Convertible Promissory Notes sold and issued by the Company for the aggregate amount of $3,750,000 on November 16, 2007, pursuant to a Convertible Note and Warrant Purchase Agreement (the "November 2007 Notes"), (iii) all of the Series D 6% Secured Convertible Promissory Notes sold and issued by the Company for the aggregate amount of $2,100,000 on July 24, 2008, pursuant to a Convertible Note and Warrant Purchase Agreement (the "July 2008 Notes"), and (iv) all of the Series E 6% Secured Convertible Promissory Notes sold and issued by the Company for the aggregate amount of $1,100,000 on October 30, 2008, pursuant to a Convertible Note and Warrant Purchase Agreement (the "October 2008 Notes").

No payment, including any prepayment, shall be made hereunder unless payment, including any prepayment, is offered with respect to the other Promissory Notes in an amount which bears the same ratio to the then unpaid principal amount of such Promissory Notes as the payment made hereon bears to the then unpaid principal amount under this Note.

1. Principal and Interest Payments.

(a) If the closing of the Merger (as defined below) does not occur prior to June 30, 2010, the Company shall repay in full the entire Principal Amount plus all accrued and unpaid interest thereon on such date or, if the closing of the Merger does occur prior to June 30, 2010, the Company shall repay the Principal Amount plus all accrued and unpaid interest thereon in twelve (12) equal monthly installments of principal and interest commencing on the one year anniversary of the date of the closing of the Merger; provided, however, that, in each case, if, prior to the repayment by the Company of the entire Principal Amount plus all accrued and unpaid interest thereon, there occurs a Sale Transaction (as defined below) other than the Merger or an acceleration of the Company's obligations under this Note as contemplated by this Note, the Company shall repay in full the entire Principal Amount plus all accrued and unpaid interest thereon on the date of such Sale Transaction or acceleration.

"Merger" shall mean the merger of a wholly-owned subsidiary ("Merger Sub") of Unify Corporation, a Delaware corporation ("Unify"), with and into the Company, pursuant to the terms and conditions of the Agreement and Plan of Merger, dated as of April 16, 2009, by and among Unify, Merger Sub and the Company (the "Merger Agreement").

"Sale Transaction" shall mean (i) the sale or other disposition of all or substantially all of the Company's assets or (ii) the acquisition of the Company by another entity by means of any transaction or series of related transactions to which the Company is party (including, without limitation, any stock acquisition, reorganization, merger or consolidation but excluding any sale of stock for capital raising purposes) other than a transaction or series of transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction continue to retain (either by such voting securities remaining outstanding or by such voting securities being converted into voting securities of the surviving entity), as a result of shares in the Company held by such holders prior to such transaction, at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such transaction or series of transactions.

(b) Interest on the outstanding principal balance of this Note shall accrue at a rate of five percent (5.00%) per annum. Interest on the outstanding principal balance of this Note shall be computed on the basis of the actual number of days elapsed and a year of three hundred sixty (360) days and shall be payable as provided in Section 1(a). Furthermore, upon the occurrence and during the continuance of an Event of Default, then, to the extent permitted by law, the Company shall pay interest to the Payee, payable on demand, on the outstanding principal balance of this Note from the date of the Event of Default until cure thereof or payment in full, at a per annum rate equal to the lower of (A) five percent (5%) above the rate charged or then eligible to be charged by Sand Hill Finance, LLC or any other senior lender to the Company or (B) the maximum rate permitted by law.

(c) The Company may prepay the outstanding principal amount of this Note or the interest thereon at any time and from time to time (a "Prepayment") without the written consent of the Payee, provided that the Company shall provide at least ten (10) days prior written notice of the date on which the Company intends to make such a Prepayment (a "Prepayment Notice"). Any partial Prepayment shall be applied first to accrued but unpaid interest and second to unpaid principal. Nothing in this Section 1(c) shall limit the right of the Payee to convert this Note as set forth in Section 8 at any time after receipt of the Prepayment Notice and prior to the time at which such Prepayment is made.

2. Non-Business Days. Whenever any payment to be made shall be due on a non-Business Day, such payment may be due on the next succeeding Business Day and such next succeeding day shall be included in the calculation of the amount of accrued interest payable on such date.

3. Security. This Note is secured pursuant to the terms of a Security Agreement dated as of the date hereof among the Company and the other parties thereto, including the holders of Promissory Notes set forth therein (the "Security Agreement"), by a security interest in the Collateral (as such term is defined in the Security Agreement), which security interest will rank senior to the security interests granted in connection with the May 2007 Notes, the November 2007 Notes, the July 2008 Notes and the October 2008 Notes. This Note is subject to the provisions of the Security Agreement.

4. Subordination of Future Debt; Payment of Dividends. Except as provided in the Transaction Documents, any debt incurred after the date hereof to any creditor shall be subordinated to the indebtedness evidenced by this Note. The Company shall not declare or pay any dividend or distribution with respect to any preferred stock of the Company or common stock, par value $0.01 per share, of the Company (the "Common Stock") other than a pro rata dividend with respect to the Common Stock payable solely in shares of Common Stock.

5. Representations and Warranties of the Company. The Company represents and warrants to the Payee as follows:

(a) The Company has been duly incorporated and is validly existing and in good standing under the laws of the state of Delaware, with full corporate power and authority to own, lease and operate its properties and to conduct its business as currently conducted.

(b) This Note has been duly authorized, validly executed and delivered on behalf of the Company and is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms except as limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditors' rights and the availability of equitable remedies (regardless of whether such enforceability is considered in a proceeding at law or equity), and the Company has full power and authority to execute and deliver this Note and to perform its obligations hereunder.

6. Events of Default. The occurrence of any of the following events shall be an "Event of Default" under this Note:

(a) the Company shall fail to pay the principal or any accrued interest hereunder, or under any other Promissory Note, the May 2007 Notes, the November 2007 Notes, the July 2008 Notes or the October 2008 Notes after the date such payment shall become due and payable hereunder or thereunder;

(b) if default shall be made in the performance or observance of any representation, warranty, covenant or agreement contained in this Note, in the Security Agreement, in the Purchase Agreement, in any other Promissory Note, in any May 2007 Note, in any November 2007 Note, in any July 2008 Note, in any October 2008 Note or in any other agreement between the Company and the Payee relating to indebtedness of the Company to the Payee or any of its affiliates for borrowed money and such default shall have continued for a period of five (5) days after Company's receipt of written notice of such default (unless such default is on account of failure to give a required notice, in which event such 5 day cure period shall commence with the date of such default);

(c) the Company shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property or assets, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the United States Bankruptcy Code (the "Bankruptcy Code") or under the comparable laws of any jurisdiction (foreign or domestic), (iv) file a petition seeking to take advantage of any bankruptcy, insolvency, moratorium, reorganization or other similar law affecting the enforcement of creditors' rights generally, (v) acquiesce in writing to any petition filed against it in an involuntary case under the Bankruptcy Code or under the comparable laws of any jurisdiction (foreign or domestic), or (vi) take any action under the laws of any jurisdiction (foreign or domestic) analogous to any of the foregoing; or

(d) a proceeding or case shall be commenced in respect of the Company or any of its subsidiaries without its application or consent, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, moratorium, dissolution, winding up or composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of it or of all or any substantial part of its assets or (iii) similar relief in respect of it under any law providing for the relief of debtors, and such proceeding or case described in clause (i), (ii) or (iii) shall continue undismissed, or unstayed and in effect, for a period of thirty (30) consecutive days or any order for relief shall be entered in an involuntary case under the Bankruptcy Code or under the comparable laws of any jurisdiction (foreign or domestic) against the Company or any of its subsidiaries or action under the laws of any jurisdiction (foreign or domestic) analogous to any of the foregoing shall be taken with respect to the Company or any of its subsidiaries and shall continue undismissed, or unstayed and in effect for a period of ninety (90) consecutive days.

7. Remedies Upon an Event of Default. If an Event of Default shall have occurred and shall be continuing, the Payee of this Note may at any time at its option, declare the entire unpaid Principal Amount, together with all interest accrued thereon, due and payable, and thereupon, the same shall be accelerated and be due and payable; provided, however, that upon the occurrence of an Event of Default described in Sections 6(c) and (d), without presentment, demand, protest or notice, all of which are hereby expressly unconditionally and irrevocably waived by the Company, the outstanding Principal Amount and accrued interest hereunder shall be automatically due and payable; provided, further, that upon the occurrence of an Event of Default described in Sections 6(a) and (b), the Payee may exercise or otherwise enforce any one or more of the Payee's rights, powers, privileges, remedies and interests under this Note or applicable law. No course of delay on the part of the Payee shall operate as a waiver thereof or otherwise prejudice the right of the Payee. No remedy conferred hereby shall be exclusive of any other remedy referred to herein or now or hereafter available at law, in equity, by statute or otherwise.

8. Conversion.

(a) General. The holder of this Note shall have the right at any time after the closing of the Merger and prior to the one year anniversary of the date of the closing of the Merger, at such holder's option, to convert all or any lesser portion of the Principal Amount plus accrued and unpaid interest thereon into such number of fully paid and non-assessable shares of common stock, $0.001 par value (the "Unify Common Stock"), of Unify as is determined by dividing (i) the portion of the Principal Amount to be converted plus accrued and unpaid interest thereon by (ii) the Conversion Rate (as defined below) then in effect for this Note. The initial conversion rate shall be $3.00, such rate to be subject to adjustment in accordance with the provisions of this Section 8. Such conversion rate in effect from time to time, as adjusted pursuant to this Section 8, is referred to herein as a "Conversion Rate." All of the remaining provisions of this Section 8 shall apply separately to each Conversion Rate in effect from time to time with respect to this Note.

(b) Mechanics of Conversion.

(i) Such right of conversion shall be exercised by the Payee by delivering to Unify a conversion notice in the form attached hereto as Exhibit B (the "Conversion Notice"), appropriately completed and duly signed, and by surrender to Unify not later than two (2) Business Days thereafter of this Note. The Conversion Notice shall also contain a statement of the name or names (with addresses and tax identification or social security numbers) in which the certificate or certificates for Unify Common Stock shall be issued, if other than the name in which this Note is registered. Promptly after the receipt of the Conversion Notice, Unify shall issue and deliver, or cause to be delivered, to the Payee or such Payee's nominee, a certificate or certificates for the number of shares of Unify Common Stock issuable upon

such conversion. Such conversion shall be deemed to have been effected as of the close of business on the date of receipt by Unify of the Conversion Notice (the "Conversion Date"), and the person or persons entitled to receive the shares of Unify Common Stock issuable upon conversion shall be treated for all purposes as the holder or holders of record of such shares of Unify Common Stock as of the close of business on the Conversion Date. If the Payee has not converted the entire amount of this Note pursuant to the Conversion Notice, then Unify shall execute and deliver to the Payee a new Note instrument identical in terms to this Note, but with a principal amount reflecting the unconverted portion of this Note. The new Note instrument shall be delivered subject to the same timing terms as the certificates for the Unify Common Stock.

(ii) Unify shall effect such issuance of Unify Common Stock within three (3) Business Days following the Conversion Date and shall transmit the certificates by messenger or reputable overnight delivery service to reach the address designated by such holder within three (3) Business Days after the receipt by Unify of such Conversion Notice. Provided that the holder complies with all of the provisions of this Note relating to the conversion hereof, if certificates evidencing the Unify Common Stock are not received by the holder (through no fault or negligence of the holder) within five (5) Business Days following the Conversion Date, then the holder shall be entitled to revoke and withdraw its Conversion Notice, in whole or in part, at any time prior to its receipt of those certificates.

(c) Fractional Shares. Unify shall not be required to issue a fractional share of Unify Common Stock upon conversion of this Note. As to any fraction of a share which the holder of this Note would otherwise be entitled to acquire upon such conversion, Unify shall pay an amount in cash equal to the Current Market Price (as defined below) per share of Unify Common Stock on the date of conversion, multiplied by such fraction.

"Current Market Price" means, in respect of any share of Unify Common Stock on any date herein specified:

(1) if there shall not then be a public market for the Unify Common Stock, the higher of (a) the book value per share of Unify Common Stock at such date, and (b) the fair market value per share of Unify Common Stock as determined in good faith by the Board of Directors of Unify, or

(2) if there shall then be a public market for the Unify Common Stock, the average of the daily market prices for the 20 consecutive trading days immediately before such date. The daily market price for each such trading day shall be (i) the closing bid price on such day on the principal stock exchange (including Nasdaq) on which such Unify Common Stock is then listed or admitted to trading, or quoted, as applicable, (ii) if no sale takes place on such day on any such exchange, the last reported closing bid price on such day as officially quoted on any such exchange (including Nasdaq), (iii) if the Unify Common Stock is not then listed or admitted to trading on any stock exchange, the last reported closing bid price on such day in the over-the-counter market, as furnished by the National Association of Securities Dealers Automatic Quotation System or the Pink Sheets LLC, (iv) if no such price is so furnished, as furnished by any similar entity then engaged in such business, or (v) if there is no such entity, as furnished by any member of the Financial Industry Regulatory Authority ("FINRA") selected mutually by holders of a majority in interest of the Promissory Notes and Unify or, if they cannot agree upon such selection, as selected by two such members of FINRA, one of which shall be selected by holders of a majority in interest of the Promissory Notes and one of which shall be selected by Unify.

(d) Stock Dividends, Subdivisions and Combinations. If at any time while this Note is outstanding, Unify shall:

(i) cause the holders of Unify Common Stock to be entitled to receive a dividend payable in, or other distribution of, additional shares of Unify Common Stock;

(ii) subdivide its outstanding shares of Unify Common Stock into a larger number of shares of Unify Common Stock; or

(iii) combine its outstanding shares of Unify Common Stock into a smaller number of shares of Common Stock,

then in each such case the Conversion Rate shall be multiplied by a fraction of which the numerator shall be the number of shares of Unify Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Unify Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this Section 8(d) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and any adjustment pursuant to clauses (ii) or (iii) of this Section 8(d) shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this paragraph occurs during the period that a Conversion Rate is calculated hereunder, then the calculation of such Conversion Rate shall be adjusted appropriately to reflect such event.

(e) Certain Other Distributions. If at any time while this Note is outstanding Unify shall take a record of the holders of Unify Common Stock for the purpose of entitling them to receive any dividend or other distribution of:

(i) cash;

(ii) any evidences of its indebtedness, any shares of stock of any class or any other securities or property or assets of any nature whatsoever (other than cash or additional shares of Unify Common Stock as provided in Section 8(d)); or

(iii) any warrants or other rights to subscribe for or purchase any evidences of its indebtedness, any shares of stock of any class or any other securities or property or assets of any nature whatsoever (in each case set forth in subparagraphs 8(e)(i), 8(e)(ii) and 8(e)(iii), the "Distributed Property"),

then upon any conversion of this Note that occurs after such record date, the holder of this Note shall be entitled to receive, in addition to the shares of Unify Common Stock, the Distributed Property that such holder would have been entitled to receive in respect of such number of shares of Unify Common Stock had the holder been the record holder of such shares of Unify Common Stock as of such record date. Such distribution shall be made whenever any such conversion is made. In the event that the Distributed Property consists of property other than cash, then the fair value of such Distributed Property shall be as determined in good faith by the Board of Directors of Unify and set forth in reasonable detail in a written valuation report (the "Valuation Report") prepared by the Board of Directors of Unify. Unify shall give written notice of such determination and a copy of the Valuation Report to the holder of this Note, and if the holder objects to such determination within twenty (20) Business Days following the date such notice is given, Unify shall submit such valuation to an investment banking firm of recognized national standing selected by the holder of this Note and acceptable to Unify in its reasonable discretion, whose opinion shall be binding upon Unify and the holder of this Note. A reclassification of the Unify Common Stock (other than a change in par value, or from par value to no par value or from no par value to par value) into shares of Unify Common Stock and shares of any other class of stock shall be deemed a distribution by Unify to the holders of Unify Common Stock of such shares of such other class of stock within the meaning of this Section 8(e) and, if the outstanding shares of Unify Common Stock shall be changed into a larger or smaller number of shares of Unify Common Stock as a part of such reclassification, such change shall be deemed a subdivision or combination, as the case may be, of the outstanding shares of Unify Common Stock within the meaning of Section 8(d).

9. Other Provisions Applicable to Adjustments. The following provisions shall be applicable to the making of adjustments of the number of shares of Unify Common Stock into which this Note is convertible and the current Conversion Rate provided for in Section 8:

(a) When Adjustments to Be Made. The adjustments required by Section 8 shall be made whenever and as often as any specified event requiring an adjustment shall occur, except that any adjustment to the Conversion Rate that would otherwise be required may be postponed (except in the case of a subdivision or combination of shares of the Unify Common Stock, as provided for in Section 8(d)) up to, but not beyond the Conversion Date if such adjustment either by itself or with other adjustments not previously made adds or subtracts less than 1% of the shares of Unify Common Stock into which this Note is convertible immediately prior to the making of such adjustment. Any adjustment representing a change of less than such minimum amount (except as aforesaid) which is postponed shall be carried forward and made as soon as such adjustment, together with other adjustments required by Section 8 and not previously made, would result in a minimum adjustment or on the Conversion Date. For the purpose of any adjustment, any specified event shall be deemed to have occurred at the close of business on the date of its occurrence.

(b) Fractional Interests. In computing adjustments under Section 8, fractional interests in Unify Common Stock shall be taken into account to the nearest 1/100th of a share.

(c) When Adjustment Not Required. If Unify undertakes a transaction contemplated under Section 8(e) and as a result takes a record of the holders of Unify Common Stock for the purpose of entitling them to receive a dividend or distribution or subscription or purchase rights or other benefits contemplated under Section 8(e) and shall, thereafter and before the distribution to stockholders thereof, legally abandon its plan to pay or deliver such dividend, distribution, subscription or purchase rights or other benefits contemplated under Section 8(e), then thereafter no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

10. Replacement. Upon receipt of a duly executed, notarized and unsecured written statement from the Payee with respect to the loss, theft or destruction of this Note (or any replacement hereof) and, if requested by the Company, an indemnity bond customary in the industry, or, in the case of a mutilation of this Note, upon surrender and cancellation of such Note, the Company shall issue a new Note, of like tenor and amount, in lieu of such lost, stolen, destroyed or mutilated Note.

11. Parties in Interest, Transferability. This Note shall be binding upon the Company and its successors and permitted assigns and the terms hereof shall inure to the benefit of the Payee and its successors and assigns. This Note may be transferred or sold, subject to the provisions of Section 19, or pledged, hypothecated or otherwise granted as security by the Payee.

12. Amendments. This Note may not be waived, modified or amended in any manner except in writing executed by the Company and the Majority Noteholders (as defined below) which writing shall be binding upon the Payee regardless of whether the Payee is among the holders actually executing such writing; provided that any such waiver, modification or amendment that would have a materially disproportionate adverse effect on the Payee's rights hereunder compared to the holders of the other Promissory Notes shall require execution by the Payee. "Majority Noteholders" shall mean the holders of a majority-in-interest of principal amount of all then-outstanding Promissory Notes. Until such time as the Merger Agreement shall have been terminated or the Merger consummated, this Note may not be amended or modified without the prior written consent of Unify.

13. Notices. Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) upon hand delivery by telecopy or facsimile at the address or number designated below (if delivered on a Business Day during normal business hours where such notice is to be received), or the first Business Day following such delivery (if delivered other than on a Business Day during normal business hours where such notice is to be received) or (b) on the second Business Day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The Company will give written notice to the Payee at least twenty (20) days prior to the date on which dissolution, liquidation or winding-up will take place and in no event shall such notice be provided to the Payee prior to such information being made known to the public. Notices to the Payee shall be made to the address set forth in the Purchase Agreement. Notices to the Company shall be made to the following:

Address of the Company:
AXS-One Inc.
301 Route 17 North
Rutherford, New Jersey 07070
Attention: Chief Financial Officer
Facsimile No.: (201) 935-5230

with a copy (which shall not constitute notice) to:
Wiggin and Dana LLP
400 Atlantic Street
Stamford, Connecticut 06901

Attention: Michael Grundei
Facsimile No.: (203) 363-7676

14. Governing Law. This Note shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to the choice of law provisions. This Note shall not be interpreted or construed with any presumption against the party causing this Note to be drafted.

15. Headings. Article and section headings in this Note are included herein for purposes of convenience of reference only and shall not constitute a part of this Note for any other purpose.

16. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note, at law or in equity (including, without limitation, a decree of specific performance and/or other injunctive relief), no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy and nothing herein shall limit a Payee's right to pursue actual damages for any failure by the Company to comply with the terms of this Note. Amounts set forth or provided for herein with respect to payments and the like (and the computation thereof) shall be the amounts to be received by the Payee and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable and material harm to the Payee and that the remedy at law for any such breach may be inadequate. Therefore, the Company agrees that, in the event of any such breach or threatened breach, the Payee shall be entitled, in addition to all other available rights and remedies, at law or in equity, to such equitable relief, including but not limited to an injunction restraining any such breach or threatened breach, without the necessity of showing economic loss and without any bond or other security being required.

17. Failure or Indulgence Not Waiver. No failure or delay on the part of the Payee in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

18. Enforcement Expenses. The Company agrees to pay all costs and expenses of enforcement of this Note, including, without limitation, reasonable attorneys' fees and expenses.

19. Compliance with Securities Laws. The Payee of this Note acknowledges that this Note is being acquired solely for the Payee's own account and not as a nominee for any other party, and for investment, and that the Payee shall not offer, sell or otherwise dispose of this Note other than in compliance with applicable state securities laws and the laws of the United States of America and as guided by the rules of the Securities and Exchange Commission. Any note issued in substitution or replacement for this Note shall be stamped or imprinted with legends, as applicable, in substantially the form stamped or imprinted hereon.

20. Severability. The provisions of this Note are severable, and if any provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall not in any manner affect such provision in any other jurisdiction or any other provision of this Note in any jurisdiction.

21. Company Waivers.

(a) Except as otherwise specifically provided herein, the Company and all others that may become liable for all or any part of the obligations evidenced by this Note, hereby waive presentment, demand, notice of nonpayment, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, and do hereby consent to any number of renewals of extensions of the time or payment hereof and agree that any such renewals or extensions may be made without notice to any such persons and without affecting their liability herein and do further consent to the release of any person liable hereon, all without affecting the liability of the other persons, firms or the Company liable for the payment of this Note, AND DO HEREBY WAIVE TRIAL BY JURY.

(b) No delay or omission on the part of the Payee in exercising its rights under this Note, or course of conduct relating hereto, shall operate as a waiver of such rights or any other right of the Payee, nor shall any waiver by the Payee of any such right or rights on any one occasion be deemed a waiver of the same right or rights on any future occasion.

(c) THE COMPANY ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS NOTE IS A PART IS A COMMERCIAL TRANSACTION, AND TO THE EXTENT ALLOWED BY APPLICABLE LAW, HEREBY WAIVES ITS RIGHT TO NOTICE AND HEARING WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH THE PAYEE OR ITS SUCCESSORS OR ASSIGNS MAY DESIRE TO USE.

[*Signature page follows.*]

IN WITNESS WHEREOF, the Company has executed and delivered this Note as of the date first written above.

AXS-ONE INC.

By:
Name:
Title:

ACKNOWLEDGED AND AGREED TO FOR PURPOSES OF ACKNOWLEDGING SECTIONS 8, 9 AND 12 ONLY, BY:

UNIFY CORPORATION

By: _____
Name:
Title:

PAYEE

Print Exact Name:_____

By: _____
Name:
Title:

[*Signature Page to Series 2009 5% Secured Promissory Note*]

EXHIBIT A

Amount of Advance	Date of Advance	Outstanding Principal Balance

EXHIBIT B

FORM OF CONVERSION NOTICE

(To be executed by the registered holder in order to convert the Note)

The undersigned hereby irrevocably elects to convert the Series 2009 5% Secured Convertible Promissory Note (the "Note") of AXS-One Inc., a Delaware corporation, held by the undersigned into shares of common stock, $0.001 par value (the "Unify Common Stock"), of Unify Corporation, a Delaware corporation ("Unify"), according to the terms and conditions of the Note and the conditions hereof, as of the date written below. The undersigned hereby requests that certificates for the shares of Unify Common Stock to be issued to the undersigned pursuant to this Conversion Notice be issued in the name of, and delivered to, the undersigned or its designee as indicated below. If the shares of Unify Common Stock are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto. A copy of the Note being converted is attached hereto (and the original Note shall be transmitted to Unify pursuant to the terms thereof). All capitalized terms used in this Conversion Notice, but not otherwise defined herein shall have the meanings assigned in the Note.

_____
Date of Conversion (Date of Notice)

_____
Principal Amount of Note to be Converted

_____
Principal Amount of Note not to be Converted (Principal Amount Remaining after Conversion)

_____
Amount of accumulated and unpaid interest on principal amount of Note to be Converted

_____
Number of shares of Unify Common Stock to be Issued (including conversion of accrued but unpaid interest on Notes to be Converted)

_____
Applicable Conversion Value

Conversion Information: [NAME OF HOLDER]

_____

Address of Holder:

_____
_____

Issue Common Stock to (if different than above):

Name:_____
Address:_____
_____
Tax ID #:_____

_____
Name of Holder

By:_____
Name:

Exhibit 10.3

THIRD AMENDED AND RESTATED SUBORDINATION AGREEMENT

This Third Amended and Restated Subordination Agreement is made as of June 26, 2009 by and among BlueLine Capital Partners, LP, a Delaware limited partnership, as agent ("PIPE Agent") for the secured parties under the PIPE Security Agreement (as defined below), BlueLine Capital Partners, LP, a Delaware limited partnership, as agent ("Debt Agent", and together with the PIPE Agent, the "Agents") for the secured parties under the Debt Security Agreement (as defined below), and Sand Hill Finance, LLC ("SHF").

Recitals

Pursuant to a Security Agreement dated as of May 29, 2007, as amended on November 16, 2007, July 24, 2008, October 30, 2008 and June 26, 2009 (the "PIPE Security Agreement"), among AXS-One Inc. ("Borrower"), PIPE Agent and the other secured parties set forth therein (PIPE Agent and such other secured parties together, the "PIPE Creditors"), Borrower granted a security interest in certain of its assets to PIPE Agent for the benefit of the PIPE Creditors.

Pursuant to a Security Agreement dated as of June 26, 2009 (the "Debt Security Agreement"), among Borrower, Debt Agent and the other secured parties set forth therein (Debt Agent and such other secured parties together, the "Debt Creditors", and together with the PIPE Creditors, the "Creditors"), Borrower granted a security interest in certain of its assets to Debt Agent for the benefit of the Debt Creditors.

The Pipe Agent entered into a Subordination Agreement dated as of May 29, 2007, as amended and restated as of July 24, 2008 by Pipe Agent and SHF, and as further amended and restated as of October 30, 2008 by Pipe Agent and SHF (such Subordination Agreement, as amended and restated, the "Existing Subordination Agreement").

To induce SHF to purchase accounts and extend credit to Borrower, from time to time, or to grant such renewals or extension of any such credit or purchase, the Agents, on behalf of the Creditors, are willing to subordinate: (a) all of Borrower's indebtedness and obligations to the Creditors, whether presently existing or arising in the future (the "Subordinated Debt") to all of Borrower's indebtedness and obligations to SHF; and (b) all of the Creditors' security interests, if any, in the Borrower's property, to all of SHF's security interests in Borrower's property.

To induce the Debt Creditors to purchase promissory notes (the "2009 Promissory Notes") from Borrower, the PIPE Agent, on behalf of the PIPE Creditors, is willing to subordinate: (a) all of Borrower's indebtedness and obligations to the PIPE Creditors in such capacity, whether presently existing or arising in the future (the "PIPE Subordinated Debt") to all of Borrower's indebtedness and obligations to the Debt Creditors in such capacity; and (b) all of the PIPE Creditors' security interests, if any, in the Borrower's property, to all of the Debt Creditor's security interests in Borrower's property.

The Borrower has entered into the Agreement and Plan of Merger, dated as of April 16, 2009, by and among Unify Corporation ("Unify"), a wholly-owned subsidiary of Unify ("Merger Sub") and the Borrower, which provides for the merger (the "Merger") of Merger Sub with and into the Borrower, subject to the terms and conditions set forth therein.

To induce Unify to consent to the issuance of the 2009 Promissory Notes, SHF and the Agents (collectively, the "Borrower Creditors"), on behalf of the Debt Creditors and the PIPE Creditors, are willing to subordinate as of and from the closing of the Merger: (a) all of Borrower's indebtedness and obligations to the Borrower Creditors in such capacity, whether presently existing or arising in the future (the "Borrower Debt") to all of Unify's indebtedness and obligations to ComVest Capital LLC ("ComVest") in connection with the Revolving Credit and Term Note Agreement, dated as of November 20, 2006, by and between ComVest and Unify (such agreement, including any amendments thereto, the "Revolving Credit Agreement"), and the transactions contemplated thereby; and (b) all of their respective security interests, if any, in the Borrower's property, to all of ComVest's security interests in Borrower's property that may arise upon the closing of the Merger.

The Agents and SHF desire to amend and restate the Existing Subordination Agreement as set forth in herein.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Subordination of the Subordinated Debt.

(a) The Creditors subordinate any security interest or lien that the Creditors may have in any property of Borrower to SHF. Notwithstanding the respective dates of attachment or perfection of the security interest of the Creditors and the security interest of SHF, the security interest of SHF in the Collateral, as defined in the Financing Agreement between Borrower and SHF, dated as of May 22, 2008, as amended from time to time (the "Financing Agreement"), shall at all times be prior to the security interest of the Creditors. Capitalized terms not otherwise defined herein shall have the same meaning as in the Financing Agreement for purposes of this Section 1.

(b) All Subordinated Debt is subordinated in right of payment to all obligations of Borrower to SHF now existing or hereafter arising, together with all costs of collecting such obligations (including attorneys' fees), including, without limitation, all interest accruing after the commencement by or against Borrower of any bankruptcy, reorganization or similar proceeding, and all obligations under the Financing Agreement (the "Senior Debt").

(c) The Creditors shall not demand or receive from Borrower (and Borrower shall not pay to the Creditors) all or any part of the Subordinated Debt, by way of payment, prepayment, setoff, lawsuit or otherwise, nor shall the Creditors exercise any remedy with respect to the Collateral, nor shall the Creditors commence, or cause to commence, prosecute or participate in any administrative, legal or equitable action against Borrower, for so long as any portion of the Senior Debt remains outstanding. Notwithstanding the foregoing, each Creditor shall be entitled to receive each regularly scheduled payment of interest under any promissory note issued by Borrower to the Creditor evidencing the Subordinated Debt, provided that no Event of Default has occurred under the Financing Agreement that is continuing or would exist immediately after giving effect to such payment. The Creditors shall promptly deliver to SHF in the form received (except for endorsement or assignment by the Creditors where required by SHF) for application to the Senior Debt any payment, distribution, security or proceeds received by the Creditors with respect to the Subordinated Debt other than in accordance with this Agreement.

(d) This Section 1 shall remain effective for so long as SHF has any obligation to make credit extensions to Borrower or Borrower owes any amounts to SHF under the Financing Agreement. If, at any time after payment in full of the Senior Debt any payments of the Senior Debt must be disgorged by SHF for any reason (including, without limitation, the bankruptcy of Borrower), this Agreement and the relative rights and priorities set forth herein shall be reinstated as to all such disgorged payments as though such payments had not been made and the Creditors shall immediately pay over to SHF all payments received with respect to the Subordinated Debt to the extent that such payments would have been prohibited hereunder. At any time and from time to time, without notice to the Creditors, SHF may take such actions with respect to the Senior Debt as SHF, in its sole discretion, may deem appropriate, including, without limitation, terminating advances to Borrower, increasing the principal amount, extending the time of payment, increasing applicable interest rates, renewing, compromising or otherwise amending the terms of any documents affecting the Senior Debt and any collateral securing the Senior Debt, and enforcing or failing to enforce any rights against Borrower or any other person. No such action or inaction shall impair or otherwise affect SHF's rights hereunder.

(e) Notwithstanding any provision herein to the contrary, nothing contained in this Agreement shall apply to or restrict any portion of the Subordinated Debt from being converted into Borrower's equity securities in accordance with its existing terms, as applicable.

2. Subordination of the PIPE Subordinated Debt.

(a) The PIPE Creditors subordinate any security interest or lien that the PIPE Creditors may have in any property of Borrower to the Debt Creditors. Notwithstanding the respective dates of attachment or perfection of the security interest of the PIPE Creditors and the security interest of the Debt Creditors, the security interest of the Debt Creditors in the Collateral, as defined in the Debt Security Agreement, shall at all times be prior to the security interest of the PIPE Creditors. Capitalized terms not otherwise defined herein shall have the same meaning as in the Debt Security Agreement for purposes of this Section 2.

(b) All PIPE Subordinated Debt is subordinated in right of payment to all obligations of Borrower to the Debt Creditors now existing or hereafter arising, together with all costs of collecting such obligations (including attorneys' fees), including, without limitation, all interest accruing after the commencement by or against Borrower of any bankruptcy, reorganization or similar proceeding, and all obligations under the Debt Security Agreement (the "Mezzanine Debt").

(c) The PIPE Creditors shall not demand or receive from Borrower (and Borrower shall not pay to the PIPE Creditors) all or any part of the PIPE Subordinated Debt, by way of payment, prepayment, setoff, lawsuit or otherwise, nor shall the PIPE Creditors exercise any remedy with respect to the Collateral, nor shall the PIPE Creditors commence, or cause to commence, prosecute or participate in any administrative, legal or equitable action against Borrower, for so long as any portion of the Mezzanine Debt remains outstanding. Notwithstanding the foregoing, each PIPE Creditor shall be entitled to receive each regularly scheduled payment of interest under any promissory note issued by Borrower to the PIPE Creditor evidencing the PIPE Subordinated Debt, provided that no Event of Default has occurred under the Debt Security Agreement that is continuing or would exist immediately after giving effect to such payment. The PIPE

Creditors shall promptly deliver to the Debt Creditors in the form received (except for endorsement or assignment by the PIPE Creditors where required by the Debt Creditors) for application to the Mezzanine Debt any payment, distribution, security or proceeds received by the PIPE Creditors with respect to the PIPE Subordinated Debt other than in accordance with this Agreement, subject to the rights of SHF set forth in Section 1 above.

(d) This Section 2 shall remain effective for so long as Borrower owes any amounts to the Debt Creditors under the promissory notes secured by the Debt Security Agreement. If, at any time after payment in full of the Mezzanine Debt any payments of the Mezzanine Debt must be disgorged by the Debt Creditors for any reason (including, without limitation, the bankruptcy of Borrower), this Agreement and the relative rights and priorities set forth herein shall be reinstated as to all such disgorged payments as though such payments had not been made and the PIPE Creditors shall immediately pay over to the Debt Creditors all payments received with respect to the PIPE Subordinated Debt to the extent that such payments would have been prohibited hereunder, subject to the rights of SHF set forth in Section 1 above. At any time and from time to time, without notice to the PIPE Creditors, the Debt Creditors may take such actions with respect to the Mezzanine Debt as the Debt Creditors, in their sole discretion, may deem appropriate, including, without limitation, increasing the principal amount, extending the time of payment, increasing applicable interest rates, renewing, compromising or otherwise amending the terms of any documents affecting the Mezzanine Debt and any collateral securing the Mezzanine Debt, and enforcing or failing to enforce any rights against Borrower or any other person. No such action or inaction shall impair or otherwise affect the Debt Creditors' rights hereunder.

(e) Notwithstanding any provision herein to the contrary, nothing contained in this Agreement shall apply to or restrict any portion of the PIPE Subordinated Debt from being converted into Borrower's equity securities in accordance with its existing terms, as applicable.

3. Subordination of the Borrower Debt.

The Borrower Creditors hereby agree to the following provisions of this Section 3 as of and from the closing of the Merger.

(a) The Borrower Creditors subordinate any security interest or lien that the Borrower Creditors may have in any property of Borrower to ComVest. Notwithstanding the respective dates of attachment or perfection of the security interest of the Borrower Creditors and the security interest of ComVest, the security interest of ComVest in the Collateral, as defined in the Revolving Credit Agreement, shall at all times be prior to the security interest of the Borrower Creditors.

(b) All Borrower Debt is subordinated in right of payment to all obligations of Unify to ComVest now existing or hereafter arising, together with all costs of collecting such obligations (including attorneys' fees), including, without limitation, all interest accruing after the commencement by or against Unify of any bankruptcy, reorganization or similar proceeding, and all obligations under the Revolving Credit Agreement (the "Acquiror Debt").

(c) The Borrower Creditors shall not demand or receive from Borrower (and Borrower shall not pay to the Borrower Creditors) all or any part of the Borrower Debt, by way of payment, prepayment, setoff, lawsuit or otherwise, nor shall the Borrower Creditors exercise any remedy with respect to the Collateral, as defined in the Revolving Credit Agreement, nor shall the Borrower Creditors commence, or cause to commence, prosecute or participate in any administrative, legal or equitable action against Borrower, for so long as any portion of the Acquiror Debt remains outstanding. Notwithstanding the foregoing, each Borrower Creditor shall be entitled to receive each regularly scheduled payment of interest under any promissory note issued by Borrower to the Borrower Creditor evidencing the Borrower Debt, provided that no Event of Default has occurred under the Revolving Credit Agreement that is continuing or would exist immediately after giving effect to such payment. The Borrower Creditors shall promptly deliver to ComVest in the form received (except for endorsement or assignment by the Borrower Creditors where required by ComVest) for application to the Acquiror Debt any payment, distribution, security or proceeds received by the Borrower Creditors with respect to the Borrower Debt other than in accordance with this Agreement.

(d) This Section 3 shall remain effective for so long as ComVest has any obligation to make credit extensions to Unify or Unify owes any amounts to ComVest under the Revolving Credit Agreement. If, at any time after payment in full of the Acquiror Debt any payments of the Acquiror Debt must be disgorged by ComVest for any reason (including, without limitation, the bankruptcy of Unify), this Agreement and the relative rights and priorities set forth herein shall be reinstated as to all such disgorged payments as though such payments had not been made and the Borrower Creditors shall immediately pay over to ComVest all payments received with respect to the Borrower Debt to the extent that such payments would have been prohibited hereunder. At any time and from time to time, without notice to the Borrower Creditors, ComVest may take such actions with respect to the Acquiror Debt as ComVest, in its sole discretion, may deem appropriate, including, without limitation, terminating advances to Unify, increasing the principal amount, extending the time of payment, increasing applicable interest rates, renewing, compromising or otherwise amending the terms of any documents affecting the Acquiror Debt and any collateral securing the Acquiror Debt, and enforcing or failing to enforce any rights against Unify or any other person. No such action or inaction shall impair or otherwise affect ComVest's rights hereunder.

(e) Notwithstanding any provision herein to the contrary, nothing contained in this Agreement shall apply to or restrict any portion of the Borrower Debt from being converted into Borrower's equity securities in accordance with its existing terms, as applicable.

4. Amendment and Restatement of Existing Subordination Agreement. The Existing Subordination Agreement is hereby amended and restated in its entirety and superceded by this Agreement. All provisions of, rights granted and covenants made in the Existing Subordination Agreement are hereby waived, released and amended in their entirety and shall have no further force or effect.

5. Successors and Assigns. This Agreement shall bind any successors or assignees of the Borrower Creditors and shall benefit any successors or assigns of ComVest, Unify, SHF and the Debt Creditors. This Agreement is solely for the benefit of the Creditors, SHF, Unify and ComVest and not for the benefit of Borrower or any other party, and Unify and ComVest, and their respective successors or assignees, are express third party beneficiaries of this Agreement. This Agreement may be executed and delivered (including by facsimile or electronic transmission) in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. This Agreement represents the entire agreement with respect to the subject matter hereof, and supersedes all prior negotiations, agreements and commitments. The Borrower Creditors are not relying on any representations by ComVest or Unify in entering into this Agreement. The Creditors are not relying on any representations by SHF or Borrower in entering into this Agreement (and the PIPE Creditors are not relying on any representations by the Debt Creditors in entering into this Agreement). The Borrower Creditors shall keep fully apprised of the financial and other condition of Unify. The Creditors have kept and shall continue to keep fully apprised of the financial and other condition of Borrower. Subject to the interests of ComVest and Unify provided herein, this Agreement may be amended only by written instrument signed by the Agents and SHF.

6. Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to conflicts of laws principles. The Creditors and SHF submit to the jurisdiction of the state and federal courts located in Santa Clara County, California. THE CREDITORS AND SHF WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN. If the jury waiver set forth in this Section 6 is not enforceable, then any dispute, controversy or claim arising out of or relating to this Agreement or any of the transactions contemplated herein shall be settled by final and binding arbitration held in San Jose, California in accordance with the then applicable Commercial Arbitration Rules of the American Arbitration Association. Judgment upon any award resulting from arbitration may be entered into and enforced by any state of federal court having jurisdiction thereof. In the event of any legal action to enforce the rights of a party under this Agreement, the party prevailing in such action shall be entitled, in addition to such other relief as may be granted, all reasonable costs and expenses, including reasonable attorneys' fees, incurred in such action.

[*Signature page follows.*]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

"Agent on behalf of the PIPE Creditors"

BLUELINE CAPITAL PARTNERS, LP,
as Agent

By: BlueLine Partners LLC, its GP

By: /s/ Scott A. Shuda

Title: Managing Director

"Agent on behalf of the Debt Creditors"

BLUELINE CAPITAL PARTNERS, LP,
as Agent

By: BlueLine Partners LLC, its GP

By: /s/ Scott A. Shuda

Title: Managing Director

"SHF"

SAND HILL FINANCE, LLC

By: /s/ Mark Cameron

Title: Partner

The undersigned approves of the terms of this Agreement.

"Borrower"

AXS-ONE INC.

By: /s/ William P. Lyons

Title: CEO

Exhibit 10.4

THIS SECURITY AGREEMENT AMENDMENT AND THE RIGHTS PROVIDED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE TERMS OF A THIRD AMENDED AND RESTATED SUBORDINATION AGREEMENT OF EVEN DATE HEREWITH AMONG THE AGENT OF THE SECURED PARTIES, THE AGENT OF THE HOLDERS OF THE SERIES 2009 5% SECURED PROMISSORY NOTES AND SAND HILL FINANCE, LLC (THE "SUBORDINATION AGREEMENT").

FOURTH SECURITY AGREEMENT AMENDMENT

This **FOURTH SECURITY AGREEMENT AMENDMENT** (this "*Amendment*") is made as of June 26, 2009 among BlueLine Capital Partners, LP, a Delaware limited partnership with an office located at 4115 Blackhawk Plaza Circle, Suite 100, Danville, CA 94596, as agent (hereinafter, in such capacity, the "*Agent*") for itself and the other lenders listed on the signature pages hereto (hereinafter, collectively, the "*Secured Parties*"), the Secured Parties and AXS-One Inc., a Delaware corporation with its principal executive offices located at 301 Route 17 North, Rutherford, NJ 07070 (the "*Debtor*").

WHEREAS, on May 29, 2007, the Debtor issued in favor of certain of the Secured Parties (the "*May 2007 Secured Parties*"), promissory notes (collectively the "*May 2007 Notes*"), in the aggregate principal amount of Five Million Dollars ($5,000,000), and such May 2007 Notes were issued pursuant to the terms of a Convertible Note and Warrant Purchase Agreement, dated as of May 29, 2007, by and among the Debtor and the May 2007 Secured Parties;

WHEREAS, on November 16, 2007, the Debtor issued in favor of certain of the Secured Parties (the "*November 2007 Secured Parties*"), promissory notes (collectively, the "*November 2007 Notes*"), in the aggregate principal amount of Three Million Seven Hundred and Fifty Thousand Dollars ($3,750,000), and such November 2007 Notes were issued pursuant to the terms of a Convertible Note and Warrant Purchase Agreement, dated as of November 13, 2007, by and among the Debtor and the November 2007 Secured Parties;

WHEREAS, on July 24, 2008, the Debtor issued in favor of certain of the Secured Parties (the "*July 2008 Secured Parties*"), promissory notes (collectively, the "*July 2008 Notes*"), in the aggregate principal amount of Two Million One Hundred Thousand Dollars ($2,100,000), and such July 2008 Notes were issued pursuant to the terms of a Convertible Note and Warrant Purchase Agreement, dated as of July 24, 2008, by and among the Debtor and the July 2008 Secured Parties;

WHEREAS, on October 30, 2008, the Debtor issued in favor of certain of the Secured Parties (the "*October 2008 Secured Parties*"), promissory notes (collectively, the "*October 2008 Notes*"), in the aggregate principal amount of One Million One Hundred Thousand Dollars ($1,100,000), and such October 2008 Notes were issued pursuant to the terms of a Convertible Note and Warrant Purchase Agreement, dated as of October 30, 2008, by and among the Debtor and the October 2008 Secured Parties;

WHEREAS, in connection with the issuance of the May 2007 Notes, the Debtor entered into that certain Security Agreement, dated as of May 29, 2007, among the Debtor, the Agent and the Secured Parties described therein, which agreement was amended (a) in connection with the issuance of the November 2007 Notes pursuant to a Security Agreement Amendment dated November 16, 2007 among the Debtor, the Agent and certain of the Secured Parties (such amendment, the "*First Amendment*"), (b) in connection with the issuance of the July 2008 Notes pursuant to a Second Security Agreement Amendment dated July 24, 2008 among the Debtor, the Agent and certain of the Secured Parties (such amendment, the "*Second Amendment*") and (c) in connection with the issuance of the October 2008 Notes pursuant to a Third Security Agreement Amendment dated October 30, 2008 among the Debtor, the Agent and certain of the Secured Parties (such amendment, the "*Third Amendment*") (such security agreement as amended pursuant to the First Amendment, the Second Amendment and the Third Amendment, the "*Security Agreement*");

WHEREAS, on the date hereof, the Debtor has issued in favor of certain of the Secured Parties (the "*June 2009 Secured Parties*"), promissory notes (collectively, the "*June 2009 Notes*"), in the aggregate principal amount of up to Two Hundred and Fifty Thousand Dollars ($250,000), and such June 2009 Notes have been issued pursuant to the terms of a Standby Convertible Note Purchase Agreement, (the "*June 2009 Purchase Agreement*") dated as of the date hereof, by and among the Debtor and the June 2009 Secured Parties (such transaction, the "*June 2009 Financing*");

WHEREAS, it is a condition precedent to the June 2009 Secured Parties' purchase of the June 2009 Notes under the June Purchase Agreement that the parties hereto execute and deliver this Amendment; and

WHEREAS, the Debtor, the Agent and each of the Secured Parties desires to amend the Security Agreement in order to permit the issuance of the June 2009 Notes.

NOW, THEREFORE, in consideration of the premises and to induce the June 2009 Secured Parties to extend the loans to the Debtor pursuant to the June 2009 Notes, the Debtor, the Agent and the Secured Parties hereby agree as follows:

1. Capitalized Terms. Capitalized terms used and not defined herein shall have the respective meanings ascribed to such terms in the Security Agreement.

2. Amendment to the Security Agreement.

(a) Section 1(c) of the Security Agreement is hereby amended by inserting the following defined terms in appropriate alphabetical order therein:

"**June 2009 Notes**" means the Series 2009 5% Secured Convertible Promissory Notes of the Debtor in the aggregate principal amount of up to Two Hundred and Fifty Thousand Dollars ($250,000) issued pursuant to the June 2009 Purchase Agreement.

"**June 2009 Purchase Agreement**" means the Standby Convertible Note Purchase Agreement dated as of June 26, 2009 by and among the Debtor and certain of the Secured Parties.

(b) Section 1(c) of the Security Agreement is hereby amended by inserting in the place of clause (viii) of the defined term "Permitted Encumbrances" the following: "(viii) the security interests of Sand Hill Finance, LLC ("**SHF**") as set forth in the Third Amended and Restated Subordination Agreement dated as of June 26, 2009 (the "**Subordination Agreement**") among SHF, the Agent for the Secured Parties and the agent for the holders of the June 2009 Notes or (ix) the security interests of the holders of the June 2009 Notes as set forth in the Subordination Agreement."

3. Consent to June 2009 Financing. The Secured Parties hereby consent to the June 2009 Financing and, in connection therewith, the Debtor's execution, delivery and performance of the June 2009 Purchase Agreement, the sale of the June 2009 Notes and the consummation of the other transactions and execution and performance of the other agreements and documents contemplated by the June 2009 Purchase Agreement, including, without limitation, the execution and delivery of the Subordination Agreement and related agreements and documents by the Agent on behalf of the Secured Parties.

4. Consent to Senior Rank. The Secured Parties hereby acknowledge and agree that the security interests granted in connection with the June 2009 Notes shall rank senior in priority of payment and in all other respects with the security interests granted in connection with the May 2007 Notes, November 2007 Notes, July 2008 Notes and October 2008 Notes, and the Secured Parties hereby consent to such senior ranking for all purposes under the Security Agreement, the May 2007 Notes, the November 2007 Notes, July 2008 Notes, October 2008 Notes, the Subordination Agreement and the related transaction documents.

5. Full Force and Effect of the Security Agreement. Except as specifically amended pursuant to the First Amendment, the Second Amendment, the Third Agreement and hereby, the Security Agreement shall remain of full force and effect and is hereby ratified and affirmed in all respects.

6. Governing Law. This Amendment shall be deemed to be a contract made under the laws of the State of New York and shall be construed in accordance with such laws without reference to conflict of laws.

7. Counterparts; Facsimile Execution. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Executed signature pages delivered by facsimile or other means of electronic image transmission shall have the same force and effect as an original thereof.

[*Signature pages follow.*]

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

AXS-ONE INC.

By: /s/ William P. Lyons
Name: William P. Lyons
Title: CEO

BLUELINE CAPITAL PARTNERS, LP, as Agent

By: BlueLine Partners, LLC,
its General Partner

By: /s/ Scott A. Shuda
Name: Scott A. Shuda
Title: Managing Director

[*Signature Page to Fourth Security Agreement Amendment*]

OMNIBUS SIGNATURE PAGE TO
AXS-ONE, INC.
FOURTH SECURITY AGREEMENT AMENDMENT

The undersigned, as a Secured Party, hereby executes and delivers the Fourth Security Agreement Amendment to which this signature page is attached, which, together with all counterparts of the Fourth Security Agreement Amendment and signature pages of the other parties named in said Fourth Security Agreement Amendment, shall constitute one and the same document in accordance with the terms of the Fourth Security Agreement Amendment.

Print Name: Aston Assets, S.A.

By: /s/ Alejandro Gonzalez
Name: Alejandro Gonzalez
Title: Secretary

OMNIBUS SIGNATURE PAGE TO
AXS-ONE, INC.
FOURTH SECURITY AGREEMENT AMENDMENT

The undersigned, as a Secured Party, hereby executes and delivers the Fourth Security Agreement Amendment to which this signature page is attached, which, together with all counterparts of the Fourth Security Agreement Amendment and signature pages of the other parties named in said Fourth Security Agreement Amendment, shall constitute one and the same document in accordance with the terms of the Fourth Security Agreement Amendment.

Print Name: BlueLine Capital Partners, LP

By: BlueLine Partners, LLC,
Its General Partner

By: /s/ Scott A. Shuda
Name: Scott A. Shuda
Title: Managing Director

OMNIBUS SIGNATURE PAGE TO
AXS-ONE, INC.
FOURTH SECURITY AGREEMENT AMENDMENT

The undersigned, as a Secured Party, hereby executes and delivers the Fourth Security Agreement Amendment to which this signature page is attached, which, together with all counterparts of the Fourth Security Agreement Amendment and signature pages of the other parties named in said Fourth Security Agreement Amendment, shall constitute one and the same document in accordance with the terms of the Fourth Security Agreement Amendment.

Print Name: BlueLine Capital Partners II, LP

By: BlueLine Partners, LLC,
Its General Partner

By: /s/ Scott A. Shuda
Name: Scott A. Shuda
Title: Managing Director

OMNIBUS SIGNATURE PAGE TO
AXS-ONE, INC.
FOURTH SECURITY AGREEMENT AMENDMENT

The undersigned, as a Secured Party, hereby executes and delivers the Fourth Security Agreement Amendment to which this signature page is attached, which, together with all counterparts of the Fourth Security Agreement Amendment and signature pages of the other parties named in said Fourth Security Agreement Amendment, shall constitute one and the same document in accordance with the terms of the Fourth Security Agreement Amendment.

Print Name: BlueLine Capital Partners III, LP

By: BlueLine Partners, LLC,
Its General Partner

By: /s/ Scott A. Shuda
Name: Scott A. Shuda
Title: Managing Director

OMNIBUS SIGNATURE PAGE TO
AXS-ONE, INC.
FOURTH SECURITY AGREEMENT AMENDMENT

The undersigned, as a Secured Party, hereby executes and delivers the Fourth Security Agreement Amendment to which this signature page is attached, which, together with all counterparts of the Fourth Security Agreement Amendment and signature pages of the other parties named in said Fourth Security Agreement Amendment, shall constitute one and the same document in accordance with the terms of the Fourth Security Agreement Amendment.

Print Name: Daniel Burch

By: /s/ Daniel Burch
Name: Daniel Burch
Title:

OMNIBUS SIGNATURE PAGE TO
AXS-ONE, INC.
FOURTH SECURITY AGREEMENT AMENDMENT

The undersigned, as a Secured Party, hereby executes and delivers the Fourth Security Agreement Amendment to which this signature page is attached, which, together with all counterparts of the Fourth Security Agreement Amendment and signature pages of the other parties named in said Fourth Security Agreement Amendment, shall constitute one and the same document in accordance with the terms of the Fourth Security Agreement Amendment.

Print Name: Harold D. Copperman

By: /s/ Harold D. Copperman
Name: Harold D. Copperman
Title:

OMNIBUS SIGNATURE PAGE TO
AXS-ONE, INC.
FOURTH SECURITY AGREEMENT AMENDMENT

The undersigned, as a Secured Party, hereby executes and delivers the Fourth Security Agreement Amendment to which this signature page is attached, which, together with all counterparts of the Fourth Security Agreement Amendment and signature pages of the other parties named in said Fourth Security Agreement Amendment, shall constitute one and the same document in accordance with the terms of the Fourth Security Agreement Amendment.

Print Name: Jurika Family Trust U/A 1989

By: /s/ William K. Jurika
Name: William K. Jurika
Title: Trustee

OMNIBUS SIGNATURE PAGE TO
AXS-ONE, INC.
FOURTH SECURITY AGREEMENT AMENDMENT

The undersigned, as a Secured Party, hereby executes and delivers the Fourth Security Agreement Amendment to which this signature page is attached, which, together with all counterparts of the Fourth Security Agreement Amendment and signature pages of the other parties named in said Fourth Security Agreement Amendment, shall constitute one and the same document in accordance with the terms of the Fourth Security Agreement Amendment.

Print Name: William P. Lyons

By: /s/ William P. Lyons
Name: William P. Lyons
Title:

OMNIBUS SIGNATURE PAGE TO
AXS-ONE, INC.
FOURTH SECURITY AGREEMENT AMENDMENT

The undersigned, as a Secured Party, hereby executes and delivers the Fourth Security Agreement Amendment to which this signature page is attached, which, together with all counterparts of the Fourth Security Agreement Amendment and signature pages of the other parties named in said Fourth Security Agreement Amendment, shall constitute one and the same document in accordance with the terms of the Fourth Security Agreement Amendment.

Print Name: Robert J. Migliorino

By: /s/ Robert J. Migliorino
Name: Robert J. Migliorino
Title:

OMNIBUS SIGNATURE PAGE TO
AXS-ONE, INC.
FOURTH SECURITY AGREEMENT AMENDMENT

The undersigned, as a Secured Party, hereby executes and delivers the Fourth Security Agreement Amendment to which this signature page is attached, which, together with all counterparts of the Fourth Security Agreement Amendment and signature pages of the other parties named in said Fourth Security Agreement Amendment, shall constitute one and the same document in accordance with the terms of the Fourth Security Agreement Amendment.

Print Name: Philip L. Rugani

By: /s/ Philip L. Rugani
Name: Philip L. Rugani
Title:

OMNIBUS SIGNATURE PAGE TO
AXS-ONE, INC.
FOURTH SECURITY AGREEMENT AMENDMENT

The undersigned, as a Secured Party, hereby executes and delivers the Fourth Security Agreement Amendment to which this signature page is attached, which, together with all counterparts of the Fourth Security Agreement Amendment and signature pages of the other parties named in said Fourth Security Agreement Amendment, shall constitute one and the same document in accordance with the terms of the Fourth Security Agreement Amendment.

Print Name: Primafides (Suisse) S.A. as Trustees of Sirius Trust

By: /s/ N. Mijsud /s/ P. DeSalis
Name: Primafides (Suisse) S.A. as Trustees of Sirius Trust
Title: Directors

Exhibit 10.5

THIS SECURITY AGREEMENT AND THE RIGHTS PROVIDED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE TERMS OF A THIRD AMENDED AND RESTATED SUBORDINATION AGREEMENT OF EVEN DATE HEREWITH AMONG THE AGENT OF THE SECURED PARTIES, THE AGENT OF THE HOLDERS OF THE SERIES A 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES B 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES C 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES D 6% SECURED CONVERTIBLE PROMISSORY NOTES AND THE SERIES E 6% SECURED CONVERTIBLE PROMISSORY NOTES AND SAND HILL FINANCE, LLC.

SECURITY AGREEMENT

This **SECURITY AGREEMENT** is made as of June 26, 2009 among BlueLine Capital Partners, LP, a Delaware limited partnership with an office located at 4115 Blackhawk Plaza Circle, Suite 100, Danville, CA 94596, as agent (hereinafter, in such capacity, the "**Agent**") for itself and the other lenders listed on the signature page hereto (hereinafter, collectively, the "**Secured Parties**"), and AXS-One Inc., a Delaware corporation with its chief executive office located at 301 Route 17 North, Rutherford, NJ 07070 (the "**Debtor**").

W I T N E S S E T H:

WHEREAS, on the date hereof, the Debtor has issued in favor of each of the Secured Parties, Series 2009 5% Secured Convertible Promissory Notes (each a "**Note**" and collectively the "**Notes**"), in the aggregate principal amount of up to Two Hundred and Fifty Thousand Dollars ($250,000); such Notes have been issued pursuant to the terms of a Standby Convertible Note Purchase Agreement (the "**Purchase Agreement**") of even date herewith among the Debtor and the Secured Parties; and

WHEREAS, it is a condition precedent to the Secured Parties' making any loans under the Purchase Agreement and the Notes that the Debtor execute and deliver to the Secured Parties this Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Secured Parties to extend the loans to the Debtor pursuant to the Notes, the Debtor hereby agrees with the Secured Parties as follows:

1. **Defined Terms.**

(a) Unless otherwise defined herein, (i) terms which are defined in the Notes and used herein shall have the meanings ascribed to such terms in the Notes, and (ii) terms which are defined in the Purchase Agreement and used herein shall have the meanings ascribed to such terms in the Purchase Agreement.

(b) The following terms which are defined in Article 9 are used herein as so defined: Accessions, Accounts, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Equipment, General Intangibles, Goods, Instruments, Inventory, Investment Property, Letters of Credit, Letter-of-Credit Rights, Payment Intangibles, Proceeds, Promissory Notes, Software and Supporting Obligations.

(c) The following terms shall have the following meanings:

"**Article 9**" means Article 9 of the Code as in effect from time to time.

"**Code**" means the Uniform Commercial Code as from time to time in effect in the State of New York, including, specifically, Article 9.

"**Collateral**" shall have the meaning assigned to it in Section 2(a) of this Security Agreement.

"**Contracts**" means the separate contracts between the Debtor and third parties (including without limitation its customers), as the same may from time to time be amended, supplemented or otherwise modified, including, without limitation, (a) all rights of the Debtor to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of the Debtor to damages arising out of, or for, breach or default in respect thereof and (c) all rights of the Debtor to perform and to exercise all remedies thereunder; but excluding any contracts, the assignment or hypothecation of which, for collateral purposes, would result in a default or require, or cause, a forfeiture or permit a revocation of material rights under such contract.

"**Copyrights**" means (a) all copyrights of the United States or any other country, (b) all copyright registrations filed in the United States or in any other country and (c) all Proceeds thereof.

"**Copyright License**" means any Contract providing for the grant by Debtor of any right to use any Copyright.

"**Encumbrance**" or "**Encumbrances**" means any security interest, mortgage, pledge, lien, claim, charge, encumbrance, title retention agreement, lessor's interest under a financing lease or any analogous arrangements in any of properties or assets of Debtor, intended as, or having the effect of, security.

"**Event of Default**" shall have the meaning assigned to it in each Note.

"**Governmental Authority**" means any federal, state, local or foreign court, commission or tribunal, or governmental, administrative or regulatory agency, department, authority, instrumentality or other body.

"**Material Adverse Effect**" means a material adverse effect on the condition (financial or otherwise), assets, liabilities, business, results of operations or prospects of the Debtor and its subsidiaries, taken as a whole.

"**Obligations**" means all principal, interest, fees, charges, collateral protection expenses, enforcement costs and other sums (in each case whether pre-or-post petition) due or to become due and payable by Debtor to any of the Secured Parties under the Notes, this Security Agreement or the Purchase Agreement.

"**Patents**" means (a) all patents of the United States and all reissues and extensions thereof, (b) all applications for patents of the United States and all divisions, continuations and continuations-in-part thereof or any other country and (c) all Proceeds thereof.

"**Patent License**" means any Contract providing for the grant to Debtor of any right to manufacture, use or sell any invention covered by a Patent.

"**Permitted Encumbrances**" means any of the following Encumbrances that exist or that the Debtor may create or incur or suffer to be created or incurred or to exist: (a) liens to secure taxes, assessments and other government charges in respect of obligations not overdue or liens on properties to secure claims for labor, material or supplies in respect of obligations not overdue; (b) deposits or pledges made in connection with, or to secure payment of, workmen's compensation, unemployment insurance, old age pensions or other social security obligations; (c) liens of carriers, warehousemen, mechanics and materialmen, and other like liens on properties in existence less than 180 days from the date of creation thereof in respect of obligations not overdue; (d) encumbrances on real estate consisting of easements, rights of way, zoning restrictions, restrictions on the use of real property and defects and irregularities in the title thereto, landlord's or lessor's liens under leases to which the Debtor is a party, and other minor liens or encumbrances none of which in the opinion of the Debtor interferes materially with the use of the property affected in the ordinary conduct of business of the Debtor, which defects do not individually or in the aggregate have a Material Adverse Effect; (e) purchase money security interests in or purchase money mortgages on real or personal property to secure purchase money indebtedness, incurred in connection with the acquisition of such property, which security interests or mortgages cover only the real or personal property so acquired; (f) security interests in the sale and lease back of real and personal property, the aggregate value of which does not exceed $500,000 during the term of the Notes; (g) the security interests of Sand Hill Finance, LLC ("**SHF**") as set forth in that certain Financing Agreement dated as of May 22, 2008 between Borrower and SHF, as amended from time to time; or (h) the security interests of the holders of the Prior Notes (such note holders, the "**PIPE Creditors**") as set forth in that certain Security Agreement dated as of May 29, 2007 among the Company and the PIPE Creditors, as amended from time to time.

"**Person**" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other entity of whatever nature, whether public or private.

"**Required Secured Parties**" shall have the meaning assigned to it in Section 12 of this Security Agreement.

"**Requirement of Law**" means any requirement of law, rule, regulation or guideline of any Governmental Authority.

"**Security Agreement**" means this Security Agreement, as amended, supplemented, restated or otherwise modified from time to time.

"**Software License**" means any agreement, written or oral, providing for the grant to Debtor of any right to use any Software.

"Source Code" means all source code and all updates, releases and/or new versions of the Software.

"**Trademarks**" means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether registered in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof or otherwise, (b) all renewals thereof and (c) all Proceeds thereof, including the goodwill of the business connected with the use of and symbolized by the Trademarks.

"**Trademark License**" means any Contract providing for the grant to Debtor of any right to use any Trademark.

2. **Grant of Security Interest.**

(a) As collateral security for the prompt and complete payment and performance when due of the Obligations, the Debtor hereby grants to the Agent, for the benefit of each of the Secured Parties, a security interest in all properties, assets and rights of the Debtor now owned or at any time hereafter acquired by the Debtor or in which the Debtor now has or at any time in the future may acquire any right, title or interest, wherever located or situated and however defined or classified under Article 9, including, without limitation, all of the property described in clause (b) below (collectively, the "**Collateral**").

(b) Without limitation of the foregoing, the Collateral includes all of Debtor's right, title and interest in the following at all times:

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all Commercial Tort Claims;

(iv) all Contracts;

(v) all Copyrights;

(vi) all Copyright Licenses;

(vii) all Deposit Accounts;

(viii) all Documents;

(ix) all Equipment;

(x) all General Intangibles;

(xi) all Goods;

(xii) all Instruments;

(xiii) all Inventory;

(xiv) all Investment Property;

(xv) all Letter-of-Credit Rights;

(xvi) all Letters of Credit;

(xvii) all Patents;

(xviii) all Patent Licenses;

(xix) all Payment Intangibles;

(xx) all Promissory Notes;

(xxi) all Software (including, without limitation, any Source Code thereto, all Software Licenses and any Patents or Copyrights associated therewith);

(xxii) all Supporting Obligations;

(xxiii) all Trademarks;

(xxiv) all Trademark Licenses;

(xxv) all Proceeds, all Accessions and additions thereto and all substitutions and replacements therefor and products of any and all of the foregoing.

3. **Rights of Agent; Limitations on Agent's Obligations.**

(a) Debtor Remains Liable under Accounts and Contracts. Anything herein to the contrary notwithstanding, the Debtor shall remain liable under each of the Accounts and Contracts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to each such Account and in accordance with and pursuant to the terms and provisions of each such Contract. The Agent shall not shall have any obligation or liability under any Account (or any agreement giving rise thereto) or under any Contract by reason of or arising out of this Security Agreement or the receipt by the Agent of any payment relating to such Account or Contract pursuant hereto, nor shall the Agent be obligated in any manner to perform any of the obligations of the Debtor under or pursuant to any Account (or any agreement giving rise thereto) or under or pursuant to any Contract to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto) or under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(b) Notice to Account Debtors and Contracting Parties. At any time after the occurrence of an Event of Default, upon the request of the Agent acting upon the written instruction of the Required Secured Parties, the Debtor shall notify account debtors on the Accounts and parties to the Contracts that the Accounts and the Contracts have been assigned to the Agent for the benefit of the Secured Parties, and that payments in respect thereof shall be made directly to the Agent. Upon the occurrence of an Event of Default, the Agent, may in its own name or in the name of others communicate with account debtors on the Accounts and parties to the Contracts to verify with them to the Agent's reasonable satisfaction the existence, amount and terms of any Accounts or Contracts and to give notice to them of the Agent's lien against any Accounts or Contracts.

4. **Representations and Warranties.** The Debtor hereby represents and warrants to the Secured Parties that (a) it is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, (b) it has the corporate power and authority to own or hold under lease the Collateral, to transact the business it transacts and proposes to transact, to execute and deliver this Security Agreement and to perform the provisions hereof, (c) this Security Agreement has been duly authorized by all necessary corporate action on the part of the Debtor and constitutes a legal, valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), (d) the execution, delivery and performance by the Debtor of this Security Agreement will not (i) contravene, result in any breach of or constitute a default under, or result in the creation of any lien (other than those provided for in this Security Agreement) in respect of any property of the Debtor under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, the Debtor's certificate of incorporation or bylaws or any other material agreement or instrument to which the Debtor is a party or by which the Debtor or any of its properties may be bound or affected; (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority applicable to the Debtor or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Debtor, (e) except for the Encumbrances granted pursuant to this Security Agreement and Permitted Encumbrances, the Debtor owns each item of the Collateral free and clear of any and all Encumbrances or claims of others and (f) except in connection with Permitted Encumbrances, no security agreement, financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as may have been filed in favor of the Secured Parties.

5. **Covenants.** The Debtor covenants and agrees with the Secured Parties that, from and after the date of this Security Agreement until the Obligations are paid in full:

(a) Further Documentation; Pledge of Instruments and Chattel Paper. Upon the written request of the Secured Parties, and at the sole expense of the Debtor, the Debtor shall promptly and duly execute and deliver such further instruments and documents and take such further action as the Secured Parties may reasonably request for the purpose of obtaining or preserving the full benefits of this Security Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Encumbrances created hereby. The Debtor also hereby authorizes the Secured Parties to file any such financing or continuation statement. A carbon, photographic or other reproduction of this Security Agreement shall be sufficient as a financing statement for filing in any jurisdiction. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument or Chattel Paper, such Instrument or Chattel Paper shall be delivered to the Secured Parties, duly endorsed in a manner satisfactory to the Secured Parties to be held as Collateral pursuant to this Security Agreement.

(b) Indemnification. Following the occurrence of any Event of Default, in any suit, proceeding or action brought by any Secured Party under any Account or Contract for any sum owing thereunder, or to enforce any provisions of any Account or Contract, the Debtor shall save, indemnify and keep the Secured Parties harmless from and against all expense, loss or damage suffered by reason of any

defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, arising out of a breach by the Debtor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from the Debtor.

(c) Maintenance of Records. The Debtor shall keep and maintain at its own cost and expense satisfactory and complete records of the Collateral, including, without limitation, a record of all payments received and all credits granted with respect to the Accounts. The Debtor shall mark its books and records pertaining to the Collateral to evidence this Security Agreement and the security interests granted hereby. The Secured Parties shall have a security interest in all of the Debtor's books and records pertaining to the Collateral, and the Debtor shall make any such books and records available to the Secured Parties or to their representatives during normal business hours for their review at the request of the Secured Parties upon reasonable prior notice.

(d) Right of Inspection. The Secured Parties shall at all times but no more than once every six (6) months and upon reasonable prior notice have full and free access during normal business hours to all the books, correspondence and records of the Debtor, and the Secured Parties or their respective representatives may examine the same, take extracts therefrom and make photocopies thereof, and the Debtor agrees to render to the Secured Parties, at the Debtor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto; provided, however, that during the occurrence of an Event of Default, the Secured Parties and their respective representatives may conduct such examinations at any time. The Secured Parties and their representatives shall at any reasonable time, but no more than once every six (6) months, and upon reasonable prior notice also have the right to enter into and upon any premises where any of the Inventory or Equipment is located for the purpose of inspecting the same, observing its use or otherwise protecting its interests-therein; provided, however, that during the occurrence of an Event of Default, the Secured Parties and their respective representatives may enter any such premises at any time.

(e) Compliance with Laws. The Debtor shall comply in all material respects with all Requirements of Law applicable to the Collateral or any part thereof or to the operation of the Debtor's business; provided, however, that the Debtor may contest any Requirement of Law in any reasonable manner which shall not, in the opinion of the Secured Parties, adversely affect the Secured Parties' rights or the priority of its Encumbrances on the Collateral.

(f) Compliance with Terms of Contracts. The Debtor shall perform and comply in all material respects with all its obligations under the Contracts and all its other contractual obligations relating to the Collateral except where such nonperformance and noncompliance could not reasonably be expected to have a Material Adverse Effect.

(g) Payment of Obligations. The Debtor shall pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of its income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if (i) the validity thereof is being contested in good faith by appropriate proceedings, (ii) such proceedings do not involve any material danger of the sale, forfeiture or loss of any of the Collateral or any interest therein and (iii) such charge is adequately reserved against on the Debtor's books in accordance with generally accepted accounting principles.

(h) Limitation on Encumbrances on Collateral. The Debtor shall not create, incur or permit to exist, shall defend the Collateral against and shall take such other action as is necessary to remove any Encumbrance or claim on or to the Collateral, other than the Encumbrances created hereby or Permitted Encumbrances, and shall defend the right, title and interest of the Secured Parties in and to any of the Collateral against other claims and demands of all Persons whomsoever.

(i) Limitations on Dispositions of Collateral. The Debtor shall not sell, transfer, lease or otherwise dispose of any of the Collateral, or attempt, offer or contract to do so except for (i) sales of Inventory in the ordinary course of its business, (ii) licenses of Software in the ordinary course of its business and (iii) so long as no Event of Default has occurred, the disposition in the ordinary course of business of property not material to the conduct of its business.

(j) Limitations on Modifications, Waivers, Extensions of Contracts and Agreements Giving Rise to Accounts. The Debtor shall not (i) amend, modify, terminate or waive any provision of any Contract or any agreement giving rise to an Account in any manner which could reasonably be expected to materially adversely affect the value of all Contracts and Accounts as Collateral when examined in the aggregate or (ii) fail to exercise promptly and diligently each and every material right which it may have under each Contract and each agreement giving rise to an Account where such failure could reasonably be expected to have a Material Adverse Effect on the value of all Contracts and Accounts when examined in the aggregate.

(k) Maintenance of Equipment. The Debtor shall maintain each item of Equipment in good operating condition, ordinary wear and tear and immaterial impairments of value and damage by the elements excepted, and shall provide all maintenance, service and repairs necessary for such purpose except where the failure to maintain such Equipment could not reasonably be expected to have a Material Adverse Effect.

(l) Further Identification of Collateral. The Debtor shall furnish to the Agent from time to time upon request, but no more than once per year, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Agent may reasonably request, all in reasonable detail.

(m) Notices. The Debtor shall advise the Secured Parties promptly, in reasonable detail, (i) of any Encumbrance (other than Encumbrances created hereby or Permitted Encumbrances) on, or claim asserted against, any of the Collateral, (ii) of any notice sent by a Secured Party of the occurrence of an Event of Default under such Secured Party's Note and (iii) of the occurrence of any other event which could reasonably be expected to have a Material Adverse Effect on the aggregate value of the Collateral or on the Encumbrances created hereunder.

(o) Changes in Locations, Name. The Debtor shall provide Secured Parties with at least thirty (30) days prior written notice in the event of either (i) a change the location of its chief executive office/chief place of business or jurisdiction of incorporation or removal of its books and records from such location, or (ii) a change in its name, identity or corporate structure to such an extent that any financing statement filed by the Secured Parties in connection with this Security Agreement would become seriously misleading.

(p) Patents, Copyrights, Software, Trademarks and General Intangibles.

(i) Whenever Debtor shall file an application for the registration of any Patent, Software or Trademark with the United States Patent and Trademark Office or any Copyright or Software with the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, Debtor shall report such filing to the Secured Parties within five (5) business days after the last day of the fiscal quarter in which such filing occurs.

(ii) The Debtor shall execute and deliver any and all agreements, instruments, documents and papers as the Secured Parties may reasonably request to evidence the Secured Parties' security interest in any Patent, Copyright, Software, General Intangible or Trademark and the goodwill of Debtor relating thereto or represented thereby, and Debtor hereby constitutes the Agent as its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Obligations are paid in full.

(iii) The Debtor shall take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of any registered Patents, Copyrights, Software, General Intangibles or Trademarks, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(iv) In the event that any material Patent, Copyright, Software, General Intangible or Trademark included in the Collateral is infringed, misappropriated or diluted by a third party, Debtor shall promptly notify the Agent after it learns thereof and shall, unless Debtor shall reasonably determine that such Patent, Copyright, Software, General Intangible or Trademark is of negligible economic value to Debtor, promptly sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution, or take such other actions as Debtor shall reasonably deem appropriate under the circumstances to protect such Patent, Copyright, Software, General Intangible or Trademark.

(q) Insurance. Debtor, at its expense, shall keep the Collateral insured against loss or damage by fire, theft, explosion, sprinklers and all other hazards and risks, and in such amounts as are reasonable given the nature of Debtor's business and the type and use of Collateral. Debtor shall also maintain insurance relating to Debtor's business, ownership and use of the Collateral in amounts and of a type that are customary to businesses similar to Debtor's. All such policies of insurance shall be in such form, with such companies and in such amounts as are reasonably satisfactory to the Agent. All such policies of property insurance shall contain a lender's loss payable endorsement, in a form satisfactory to the Agent, showing the Agent as an additional loss payee thereof, and all liability insurance policies shall show the Agent as an additional insured and shall specify that the insurer must give at least twenty (20) days notice to the Agent before canceling its policy for any reason. Upon the Agent's request, Debtor shall deliver to the Agent certified copies of such policies of insurance and evidence of the payments of all premiums therefor. All proceeds payable under any such policy shall, at the option of the Agent, be payable to the Agent to be applied on account of the Obligations in such order as the Agent shall elect.

(r) Commercial Tort Claims. The Debtor shall promptly notify the Agent in writing upon incurring or otherwise obtaining a Commercial Tort Claim against any third party, and upon request of the Secured Parties, promptly enter into an amendment to this Security Agreement and do such other acts or things deemed appropriate by the Secured Parties to give the Secured Parties a security interest in any such Commercial Tort Claim.

6. **Agent's Appointment as Attorney-in-Fact.**

(a) Powers. During the existence of an Event of Default, the Debtor hereby irrevocably constitutes and appoints the Agent with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Debtor and in the name of Debtor or in its own name, from time to time in the Agent's discretion upon instruction from the Required Secured Parties, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Security Agreement, and, without limiting the generality of the foregoing, Debtor hereby gives the Agent the power and right, on behalf of Debtor, without notice to or assent by Debtor, to do the following: to pay or discharge taxes and Encumbrances (other than Permitted Encumbrances) levied or placed on the Collateral (upon written instruction of the Required Secured Parties); to effect any repairs or any insurance called for by the terms of this Security Agreement and to pay all or any part of the premiums therefor and the costs thereof (upon written instruction of the Required Secured Parties); and during the existence of an Event of Default and only upon written instruction of the Required Secured Parties, (A) to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Secured Party or as the Secured Party shall direct; (B) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (C) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (D) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against Debtor with respect to any Collateral; (F) to settle, compromise or adjust any suit, action or proceeding described in clause (E) above and, in connection therewith, to give such discharges or releases as the Agent may deem appropriate; (G) to assign any Patent, Copyright, Software, General Intangible or Trademark (along with the goodwill of the business to which any such Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Agent shall determine; and (H) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Agent were the absolute owner thereof for all purposes, and to do, at the Agent's option and Debtor's expense, at any time, or from time to time, all acts and things which the Agent, with the consent and instruction of the Required Secured Parties, deems necessary to protect, preserve or realize upon the Collateral and the Agent's Encumbrances thereon and to effect the intent of this Security Agreement, all as fully and effectively as Debtor might do. In addition, the Debtor hereby irrevocably constitutes and appoints the Agent with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Debtor and in the name of Debtor or in its own name, from time to time in the Agent's discretion, for the purpose of perfecting the Agent's lien against the Collateral, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish such purpose. The Debtor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. The powers of attorney in this subsection are powers coupled with an interest and shall be irrevocable.

(b) Other Powers. The Debtor also authorizes the Agent, at any time and from time to time, to execute, in connection with the sale provided for in Section 9 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(c) No Duty on Agent's Part. The powers conferred on the Agent hereunder are solely to protect Agent's interests in the Collateral and shall not impose any duty upon the Agent to exercise any such powers. The Agent shall be accountable only for amounts that it or the Secured Parties actually receive as a result of the exercise of such powers, and none of them nor any of their officers, directors or employees shall be responsible to Debtor for any act or failure to act hereunder, except for its own gross negligence or willful misconduct.

7. **Performance by Agent of Debtor's Obligations.** If Debtor fails to perform or comply with any of its agreements contained herein and the Agent, upon written instruction of the Required Secured Parties, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the reasonable expenses of the Agent incurred in connection with such performance or compliance, together with interest thereon at a rate per annum equal to 15%, shall be payable by Debtor to the Agent on demand and shall constitute Obligations secured hereby.

8. **Proceeds.** In addition to the rights of the Agent specified in Section 3 with respect to payments of Accounts, it is agreed that during the existence of an Event of Default (a) all Proceeds received by the Debtor consisting of cash, checks and other near-cash items shall be held by the Debtor in trust for the Secured Parties, segregated from other funds of the Debtor, and shall, forthwith upon receipt by the Debtor, be turned over to the Agent in the exact form received by the Debtor (duly endorsed by the Debtor to the Agent), and (b) any and all such Proceeds received by the Agent (whether from the Debtor or otherwise) may, in the sole discretion of the Agent upon written instruction of the Required Secured Parties, be held by the Agent as collateral security for, and/or then or at any time thereafter may be applied by the Agent, pro

ratably against, the Obligations or in such order as the Required Secured Parties may elect. Any balance of such Proceeds remaining after the Obligations shall have been paid in full shall be paid over to the Debtor or to whomsoever may be lawfully entitled to receive the same.

9. **Remedies.** Upon the occurrence and during the continuance of an Event of Default, the Agent, at the written direction of the Required Secured Parties, may exercise, in addition to all other rights and remedies granted to it in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code. Without limiting the generality of the foregoing, the Agent at written direction of the Required Secured Parties, during the existence of an Event of Default and without further demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon Debtor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Agent or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Each purchaser at any such sale shall hold the Collateral sold absolutely free from any claim or right on the part of the Debtor, and Debtor hereby waives (to the extent permitted by law) all rights of redemption, stay or appraisal that it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Each of the Secured Parties shall have the right upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor, which right or equity is hereby waived or released, and in connection herewith to credit bid the Obligations with the proceeds that would otherwise be payable to such Secured Party. The Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. To the extent permitted by law, Debtor hereby waives any claims against Agent arising because the price at which any Collateral may have been sold at a private sale was less than the price that might have been obtained at a public sale. The Debtor further agrees, at the Agent's request upon instruction from the Required Secured Parties, to assemble the Collateral and make it available to the Agent at places, which the Agent shall reasonably select, whether at Debtor's premises or elsewhere. The Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Agent hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Required Secured Parties may elect, and only after such application and after the payment by Agent of any other amount required by any provision of law, including, without limitation, any provision of the Code, need the Agent account for the surplus, if any, to Debtor. To the extent permitted by applicable law, Debtor waives all claims, damages and demands it may acquire against the Agent or any Secured Party arising out of the exercise by Agent of any of its rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten (10) days before such sale or other disposition. The Debtor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the obligations and the fees and disbursements of any attorneys employed by Agent to collect such deficiency. Debtor hereby agrees that any sale or other disposition of the Collateral conducted in conformity with reasonable commercial practices of banks, insurance companies or other financial institutions in the city and state where Agent is located in disposing of property similar to the Collateral shall be deemed to be commercially reasonable.

10. **Limitation on Duties Regarding Preservation of Collateral.** The Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Article 9 or otherwise, shall be to deal with it in the same manner as any Secured Party deals with similar property for its own account. Neither the Agent nor any of its directors, officers, agents or employees shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Debtor or otherwise.

11. **Powers Coupled with an Interest.** All authorizations and agencies herein contained with respect to the Collateral are irrevocable and powers coupled with an interest.

12. **Agent.** Each Secured Party hereby designates and appoints the Agent to serve in accordance with the terms and conditions of this Security Agreement, and the Agent hereby agrees to act as such, upon the terms and conditions provided in this Security Agreement. The Agent may execute any of its duties under this Security Agreement by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent or other document or conversation believed by it to be genuine and correct. The Agent shall be fully justified in failing or refusing to take any action unless it first receives such advice or concurrence from the Required Secured Parties. The Agent shall be under no obligation to take any action to protect, preserve or enforce any rights or interests in the Collateral or to take any action toward the execution or enforcement of the rights and remedies hereunder, whether on its own motion or on the request of any other Person, which in the opinion of the Agent may involve loss, liability or expense to it, unless the Debtor and/or one or more Secured Parties shall offer and furnish security or indemnity, reasonably satisfactory to the Agent, against loss, liability and expense to the Agent. As used herein, "**Required Secured Parties**" means, as of any date, the Secured Parties holding at least a majority of the outstanding principal amount of the Notes on such date. The Agent shall in all cases be fully protected in acting or refraining from acting in accordance with a request or consent of the Required Secured Parties and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Secured Parties. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Event of Default except with respect to payment default required to be paid to the Agent in its individual capacity, unless the Agent shall have received written notice from a Secured Party or the Debtor describing such default. The Agent shall use its best efforts to notify all Secured Parties and the Debtor of any such notice. The Agent shall take such action with respect to such default as may be reasonably and lawfully requested by the Required Secured Parties in accordance with the terms of this Security Agreement subject to the requirements set forth above for indemnification and further subject to its right to resign under Section 13 below. In addition to any other indemnification provided for hereunder or otherwise in favor of the Agent, each of the Secured Parties shall indemnify upon demand the Agent and its agents, pro rata, from and against any and all actions, causes of actions, suits, losses, liabilities, damages and expenses, including reasonable attorney's fees, other than those resulting from the Agent or its agents gross negligence or willful misconduct. The Agent shall not be required to advance, expend or risk its own funds or otherwise incur personal liability in the performance of its duties or in the exercise of any rights or remedies hereunder. All funds expended by the Agent hereunder (including, without limitation, funds expended for reasonable attorney's fees) shall be promptly reimbursed by the Debtor and/or the Secured Parties upon demand from the Agent (together with interest thereon at a rate per annum equal to 8% from ten days following the date of demand). Nothing shall limit or restrict the right of the Agent in its individual capacity to be a holder of Notes and to exercise its rights thereunder, including, without limitation, its right to vote as a Secured Party as part of the Required Secured Parties. The Agent shall not be liable or responsible in any way for any diminution in the value of the Collateral or any act or default of any warehouseman, carrier, forwarding agency or other Person whomsoever, but the same shall be at the sole risk of the Debtor and/or the Secured Parties. Unless instructed in writing by the Required Secured Parties and indemnified by the Secured Parties, the Agent shall not be responsible for effecting any filings with the United States Patent and Trademark Office or the United States Copyright Office with respect to any of the Collateral. The Agent makes no representation or warranty as to the validity, sufficiency or enforceability hereof or of the Collateral or as to the value, title, condition or adequacy of insurance on, or otherwise with respect to, the Collateral. The Agent shall not be accountable to anyone for the use or application of the proceeds of the Notes. The Agent makes no representation or warranty as to the attachment, perfection or priority of the security interests and liens contemplated hereby.

13. **Resignation of Agent.** The Agent may resign at any time by giving twenty (20) days prior written notice thereof to the Secured Parties and the Debtor. Upon any such resignation, the Required Secured Parties shall have the right to appoint a successor Agent. Unless an Event of Default shall have occurred and be continuing, such successor Agent shall be reasonably acceptable to the Debtor. If no successor Agent shall have been so appointed by the Required Secured Parties and shall have accepted such appointment within fifteen (15) days after the retiring Agent's giving of notice of resignation, then the retiring Agent may, on behalf of the Secured Parties, appoint a successor Agent. If no such successor can be found or appointed, a successor Agent may be appointed, upon application of the retiring Agent or any Secured Party, by any court of competent jurisdiction. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder.

14. **Severability.** Any provision of this Security Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. All covenants and other agreements contained in this Security Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns whether so expressed or not.

15. **Paragraph Headings.** The paragraph headings used in this Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof. This Security Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

16. **No Waiver; Cumulative Remedies.** The Agent shall not, by any act (except by a written instrument), delay, indulgence, omission or otherwise, be deemed to have waived any right or remedy hereunder or to have acquiesced in any default or in any breach of

any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Agent, of any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Agent or any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Agent would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law. **THIS SECURITY AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.**

17. **Notices.** Notices hereunder shall be given to the Debtor, the Agent and each Secured Party in the manner set forth in the Purchase Agreement of even date herewith between the Debtor and each of the Secured Parties and at the addresses set forth therein.

18. **Termination.** Upon the repayment in full of all Obligations, this Security Agreement shall terminate, the Secured Parties shall deliver any release of the Encumbrances created under this Security Agreement that Debtor may reasonably request (at the cost of the Debtor) and the Secured Parties shall return to the Debtor all Collateral then in its possession, custody or control, and this Security Agreement shall terminate without further action by the parties hereto and be of no further force and effect.

[*Signature pages follow.*]

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

AXS-ONE INC.

By: /s/ William P. Lyons
Name: William P. Lyons
Title: CEO

BLUELINE CAPITAL PARTNERS, LP, as Agent

By: BlueLine Partners, LLC,
its General Partner

By: /s/ Scott A. Shuda
Name: Scott A. Shuda
Title: Managing Director

OMNIBUS SIGNATURE PAGE TO
AXS-ONE, INC.
SECURITY AGREEMENT

The undersigned, as a Secured Party, hereby executes and delivers the Security Agreement to which this signature page is attached, which, together with all counterparts of the Security Agreement and signature pages of the other parties named in said Security Agreement, shall constitute one and the same document in accordance with the terms of the Security Agreement.

Print Name: BlueLine Capital Partners III, LP

By: BlueLine Partners II, LP,
Its General Partner

By: /s/ Scott A. Shuda
Name: Scott A. Shuda
Title: Managing Director

OMNIBUS SIGNATURE PAGE TO
AXS-ONE, INC.
SECURITY AGREEMENT

The undersigned, as a Secured Party, hereby executes and delivers the Security Agreement to which this signature page is attached, which, together with all counterparts of the Security Agreement and signature pages of the other parties named in said Security Agreement, shall constitute one and the same document in accordance with the terms of the Security Agreement.

Print Name: Harold D. Copperman

By: /s/ Harold D. Copperman
Name: Harold D. Copperman
Title:

OMNIBUS SIGNATURE PAGE TO
AXS-ONE, INC.
SECURITY AGREEMENT

The undersigned, as a Secured Party, hereby executes and delivers the Security Agreement to which this signature page is attached, which, together with all counterparts of the Security Agreement and signature pages of the other parties named in said Security Agreement, shall constitute one and the same document in accordance with the terms of the Security Agreement.

Print Name: Jurika Family Trust U/A 1989

By: /s/ William K. Jurika
Name: William K. Jurika
Title: Trustee

OMNIBUS SIGNATURE PAGE TO
AXS-ONE, INC.
SECURITY AGREEMENT

The undersigned, as a Secured Party, hereby executes and delivers the Security Agreement to which this signature page is attached, which, together with all counterparts of the Security Agreement and signature pages of the other parties named in said Security Agreement, shall constitute one and the same document in accordance with the terms of the Security Agreement.

Print Name: Primafides (Suisse) S.A. as Trustees of Sirius Trust

By:	/s/ N. Mijsud /s/ P. DeSalis
Name:	Primafides (Suisse) S.A. as Trustees of Sirius Trust
Title:	Directors

Exhibit 10.6

FOURTH AMENDMENT TO
SERIES A 6% SECURED CONVERTIBLE PROMISSORY NOTE

This Fourth Amendment, dated June 26, 2009, (this "Amendment") amends certain provisions of the Series A 6% Secured Convertible Promissory Note in the original principal amount of $[_____], issued by AXS-One Inc., a Delaware corporation (the "Company") (No. PN-2007-A-[_]), due May 29, 2009 and dated as of May 29, 2007 (as amended pursuant to the Prior Amendments (as defined below) and the Omnibus Agreement (as defined below), the "Note"), and is by and between the Company and [_____] (the "Holder"). Terms not otherwise defined herein which are defined in the Note shall have the same respective meanings herein as therein.

WHEREAS, the Note was previously amended pursuant to an Amendment to Series A 6% Secured Convertible Promissory Note due May 29, 2009, dated November 16, 2007, a Second Amendment to Series A 6% Secured Convertible Promissory Note due May 29, 2009, dated July 24, 2008, and a Third Amendment to Series A 6% Secured Convertible Note due May 29, 2009, dated October 30, 2008, in each case, by and between the Company and the Holder (together, the "Prior Amendments");

WHEREAS, the Note was previously further amended pursuant to the Omnibus Amendment (the "Omnibus Agreement") made and entered into as of May 29, 2009 among the Company, the Holder and each of the other investors a party thereto;

WHEREAS, on the date hereof, the Company issued in favor of certain purchasers (the "Purchasers") promissory notes, in the aggregate principal amount of up to Two Hundred Fifty Thousand Dollars ($250,000) (collectively the "June 2009 Notes"), and such June 2009 Notes were issued pursuant to the terms of a Standby Convertible Purchase Agreement dated as of the date hereof, among the Company and such Purchasers; and

WHEREAS, the Company and the Holder have agreed to modify certain terms and conditions of the Note as specifically set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments to the Note.

(a) The first paragraph of the header of the Note is hereby amended in its entirety to read as follows:

"THIS NOTE AND THE RIGHTS PROVIDED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE TERMS OF THE THIRD AMENDED AND RESTATED SUBORDINATION AGREEMENT OF EVEN DATE HEREWITH AMONG THE AGENT OF THE PAYEE, THE AGENT OF THE HOLDERS OF THE SERIES 2009 5% SECURED CONVERTIBLE PROMISSORY NOTES, THE AGENT OF THE HOLDERS OF THE SERIES A 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES B 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES C 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "NOVEMBER 2007 NOTES"), THE SERIES D 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "JULY 2008 NOTES") AND THE SERIES E 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "OCTOBER 2008 NOTES") AND SAND HILL FINANCE, LLC."

(b) The reference to "July 31, 2009" in Section 1(a) of the Note is hereby amended and replaced with "June 30, 2010".

(c) The following Section 6(h) is added to Section 6 of the Note following Section 6(g) thereof:

"(h) The occurrence of any Event of Default under the June 2009 Notes (as Event of Default is defined in such June 2009 Notes). "June 2009 Notes" shall mean those Series 2009 5% Secured Convertible Promissory Notes issued and sold by the Company pursuant to that certain Standby Convertible Note Purchase Agreement by and among the Company and those purchasers as listed therein, dated on or around June 26, 2009."

(d) Section 12 of the Note is hereby deleted in its entirety and replaced with the following:

"12. Amendments. This Note may not be waived, modified or amended in any manner except in writing executed by the Company and the Majority Noteholders (as defined below) which writing shall be binding upon the Payee regardless of whether the Payee is among the holders actually executing such writing; provided that any such waiver, modification or amendment that would have a materially disproportionate adverse effect on the Payee's rights hereunder compared to the holders of the other Promissory Notes, the November 2007 Notes, the July 2008 Notes and the October 2008 Notes shall require execution by the Payee. "Majority Noteholders" shall mean the holders of a majority-in-interest of principal amount of all then-outstanding Promissory Notes, the November 2007 Notes, the July 2008 Notes and the October 2008 Notes."

(e) The second paragraph of Section 19 of the Note is hereby amended in its entirety to read as follows:

"THIS NOTE AND THE RIGHTS PROVIDED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE TERMS OF THE THIRD AMENDED AND RESTATED SUBORDINATION AGREEMENT OF EVEN DATE HEREWITH AMONG THE AGENT OF THE PAYEE, THE AGENT OF THE HOLDERS OF THE SERIES 2009 5% SECURED CONVERTIBLE PROMISSORY NOTES, THE AGENT OF THE HOLDERS OF THE SERIES A 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES B 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES C 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "NOVEMBER 2007 NOTES"), THE SERIES D 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "JULY 2008 NOTES") AND THE SERIES E 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "OCTOBER 2008 NOTES") AND SAND HILL FINANCE, LLC."

2. Acknowledgment and Waiver. Notwithstanding the provisions of Section 4 of the Note, the Holder hereby acknowledges that the June 2009 Notes issued pursuant to the Standby Convertible Note Purchase Agreement shall be senior to the indebtedness evidenced by the Note, and the Holder hereby waives any rights or claims that such issuance constitutes or gives rise to an Event of Default or that the Company is otherwise in violation of the Note or any related agreements as a result of such issuance.

3. Ratification, Etc. Except as expressly amended hereby, all terms and conditions of the Note, as amended, are hereby ratified and confirmed in all respects and shall continue in full force and effect. The obligations under the Note shall be deemed to be continuously outstanding and shall not be deemed to have been repaid and readvanced or refinanced hereunder or hereby. The Note, the Prior Amendments, the Omnibus Agreement and this Amendment shall be read and construed as a single agreement. All references to the Note shall hereafter refer to such Note, as amended pursuant to the Prior Amendments, the Omnibus Agreement and hereby.

4. No Novation. THE COMPANY AND THE HOLDER HAVE ENTERED INTO THIS AMENDMENT SOLELY TO AMEND CERTAIN OF THE TERMS OF THE NOTE. THEY DO NOT INTEND THIS AMENDMENT NOR THE TRANSACTIONS CONTEMPLATED HEREBY TO BE, AND THIS AMENDMENT AND THE TRANSACTION CONTEMPLATED HEREBY SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING UNDER OR IN CONNECTION WITH THE NOTE.

5. No Waiver. Except as expressly set forth herein, nothing contained herein shall constitute a waiver of, impair or otherwise affect, any obligation of the Company under any Note or any rights of any Holder consequent thereon.

6. Counterparts; Facsimile Execution. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile or other means of electronic image transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

7. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York (without reference to conflict of laws).

[*Signature page follows.*]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Company:

AXS-ONE INC.

By:_____
Name:
Title:

Holder:

Print Exact Name: _____

By: _____
Name:
Title:

[*Signature Page to Fourth Amendment to Series A 6% Secured Convertible Promissory Note*]

Exhibit 10.7

FOURTH AMENDMENT TO
SERIES B 6% SECURED CONVERTIBLE PROMISSORY NOTE

This Fourth Amendment, dated June 26, 2009, (this "Amendment") amends certain provisions of the Series B 6% Secured Convertible Promissory Note in the original principal amount of $[_____], issued by AXS-One Inc., a Delaware corporation (the "Company") (No. PN-2007-B-[_]), due May 29, 2009 and dated as of May 29, 2007 (as amended pursuant to the Prior Amendments (as defined below) and the Omnibus Agreement (as defined below), the "Note"), and is by and between the Company and [_____] (the "Holder"). Terms not otherwise defined herein which are defined in the Note shall have the same respective meanings herein as therein.

WHEREAS, the Note was previously amended pursuant to an Amendment to Series B 6% Secured Convertible Promissory Note due May 29, 2009, dated November 16, 2007, a Second Amendment to Series B 6% Secured Convertible Promissory Note due May 29, 2009, dated July 24, 2008, and a Third Amendment to Series B 6% Secured Convertible Note due May 29, 2009, dated October 30, 2008, in each case, by and between the Company and the Holder (together, the "Prior Amendments");

WHEREAS, the Note was previously further amended pursuant to the Omnibus Amendment (the "Omnibus Agreement") made and entered into as of May 29, 2009 among the Company, the Holder and each of the other investors a party thereto;

WHEREAS, on the date hereof, the Company issued in favor of certain purchasers (the "Purchasers") promissory notes, in the aggregate principal amount of up to Two Hundred and Fifty Thousand Dollars ($250,000) (collectively the "June 2009 Notes"), and such June 2009 Notes were issued pursuant to the terms of a Standby Convertible Note Purchase Agreement dated as of the date hereof, among the Company and such Purchasers; and

WHEREAS, the Company and the Holder have agreed to modify certain terms and conditions of the Note as specifically set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments to the Note.

(a) The first paragraph of the header of the Note is hereby amended in its entirety to read as follows:

"THIS NOTE AND THE RIGHTS PROVIDED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE TERMS OF THE THIRD AMENDED AND RESTATED SUBORDINATION AGREEMENT OF EVEN DATE HEREWITH AMONG THE AGENT OF THE PAYEE, THE AGENT OF THE HOLDERS OF THE SERIES 2009 5% SECURED CONVERTIBLE PROMISSORY NOTES, THE AGENT OF THE HOLDERS OF THE SERIES A 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES B 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES C 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "NOVEMBER 2007 NOTES"), THE SERIES D 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "JULY 2008 NOTES") AND THE SERIES E 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "OCTOBER 2008 NOTES") AND SAND HILL FINANCE, LLC."

(b) The reference to "July 31, 2009" in Section 1(a) of the Note is hereby amended and replaced with "June 30, 2010".

(c) The following Section 6(h) is added to Section 6 of the Note following Section 6(g) thereof:

"(h) The occurrence of any Event of Default under the June 2009 Notes (as Event of Default is defined in such June 2009 Notes). "June 2009 Notes" shall mean those Series 2009 5% Secured Convertible Promissory Notes issued and sold by the Company pursuant to that certain Standby Convertible Note Purchase Agreement by and among the Company and those purchasers as listed therein, dated on or around June 26, 2009."

(d) Section 12 of the Note is hereby deleted in its entirety and replaced with the following:

"12. Amendments. This Note may not be waived, modified or amended in any manner except in writing executed by the Company and the Majority Noteholders (as defined below) which writing shall be binding upon the Payee regardless of whether the Payee is among the holders actually executing such writing; provided that any such waiver, modification or amendment that would have a materially disproportionate adverse effect on the Payee's rights hereunder compared to the holders of the other Promissory Notes, the November 2007 Notes, the July 2008 Notes and the October 2008 Notes shall require execution by the Payee. "Majority Noteholders" shall mean the holders of a majority-in-interest of principal amount of all then-outstanding Promissory Notes, the November 2007 Notes, the July 2008 Notes and the October 2008 Notes."

(e) The second paragraph of Section 19 of the Note is hereby amended in its entirety to read as follows:

"THIS NOTE AND THE RIGHTS PROVIDED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE TERMS OF THE THIRD AMENDED AND RESTATED SUBORDINATION AGREEMENT OF EVEN DATE HEREWITH AMONG THE AGENT OF THE PAYEE, THE AGENT OF THE HOLDERS OF THE SERIES 2009 5% SECURED CONVERTIBLE PROMISSORY NOTES, THE AGENT OF THE HOLDERS OF THE SERIES A 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES B 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES C 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "NOVEMBER 2007 NOTES"), THE SERIES D 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "JULY 2008 NOTES") AND THE SERIES E 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "OCTOBER 2008 NOTES") AND SAND HILL FINANCE, LLC."

2. Acknowledgment and Waiver. Notwithstanding the provisions of Section 4 of the Note, the Holder hereby acknowledges that the June 2009 Notes issued pursuant to the Standby Convertible Note Purchase Agreement shall be senior to the indebtedness evidenced by the Note, and the Holder hereby waives any rights or claims that such issuance constitutes or gives rise to an Event of Default or that the Company is otherwise in violation of the Note or any related agreements as a result of such issuance.

3. Ratification, Etc. Except as expressly amended hereby, all terms and conditions of the Note, as amended, are hereby ratified and confirmed in all respects and shall continue in full force and effect. The obligations under the Note shall be deemed to be continuously outstanding and shall not be deemed to have been repaid and readvanced or refinanced hereunder or hereby. The Note, the Prior Amendments, the Omnibus Agreement and this Amendment shall be read and construed as a single agreement. All references to the Note shall hereafter refer to such Note, as amended pursuant to the Prior Amendments, the Omnibus Agreement and hereby.

4. No Novation. THE COMPANY AND THE HOLDER HAVE ENTERED INTO THIS AMENDMENT SOLELY TO AMEND CERTAIN OF THE TERMS OF THE NOTE. THEY DO NOT INTEND THIS AMENDMENT NOR THE TRANSACTIONS CONTEMPLATED HEREBY TO BE, AND THIS AMENDMENT AND THE TRANSACTION CONTEMPLATED HEREBY SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING UNDER OR IN CONNECTION WITH THE NOTE.

5. No Waiver. Except as expressly set forth herein, nothing contained herein shall constitute a waiver of, impair or otherwise affect, any obligation of the Company under any Note or any rights of any Holder consequent thereon.

6. Counterparts; Facsimile Execution. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile or other means of electronic image transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

7. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York (without reference to conflict of laws).

[*Signature page follows.*]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Company:

AXS-ONE INC.

By:
Name:
Title:

Holder:

Print Exact Name: _____

By: _____
Name:
Title:

[*Signature Page to Fourth Amendment to Series B 6% Secured Convertible Promissory Note*]

Exhibit 10.8

THIRD AMENDMENT TO
SERIES C 6% SECURED CONVERTIBLE PROMISSORY NOTE

This Third Amendment, dated June 26, 2009, (this "Amendment") amends certain provisions of the Series C 6% Secured Convertible Promissory Note in the original principal amount of $[_____], issued by AXS-One Inc., a Delaware corporation (the "Company") (No. PN-2007-C-[_]), due May 29, 2009 and dated as of November 13, 2007 (as amended pursuant to the Prior Amendments (as defined below) and the Omnibus Agreement (as defined below), the "Note"), and is by and between the Company and [_____] (the "Holder"). Terms not otherwise defined herein which are defined in the Note shall have the same respective meanings herein as therein.

WHEREAS, the Note was previously amended pursuant to an Amendment to Series C 6% Secured Convertible Promissory Note due May 29, 2009, dated July 24, 2008, and a Second Amendment to Series B 6% Secured Convertible Note due May 29, 2009, dated October 30, 2008, in each case, by and between the Company and the Holder (together, the "Prior Amendments");

WHEREAS, the Note was previously further amended pursuant to the Omnibus Amendment (the "Omnibus Agreement") made and entered into as of May 29, 2009 among the Company, the Holder and each of the other investors a party thereto;

WHEREAS, on the date hereof, the Company issued in favor of certain purchasers (the "Purchasers") promissory notes, in the aggregate principal amount of up to Two Hundred and Fifty Thousand Dollars ($250,000) (collectively the "June 2009 Notes"), and such June 2009 Notes were issued pursuant to the terms of a Standby Convertible Note Purchase Agreement dated as of the date hereof, among the Company and such Purchasers; and

WHEREAS, the Company and the Holder have agreed to modify certain terms and conditions of the Note as specifically set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments to the Note.

(a) The first paragraph of the header of the Note is hereby amended in its entirety to read as follows:

"THIS NOTE AND THE RIGHTS PROVIDED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE TERMS OF THE THIRD AMENDED AND RESTATED SUBORDINATION AGREEMENT OF EVEN DATE HEREWITH AMONG THE AGENT OF THE PAYEE, THE AGENT OF THE HOLDERS OF THE SERIES 2009 5% SECURED CONVERTIBLE PROMISSORY NOTES, THE AGENT OF THE HOLDERS OF THE SERIES A 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES B 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES C 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES D 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "JULY 2008 NOTES") AND THE SERIES E 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "OCTOBER 2008 NOTES") AND SAND HILL FINANCE, LLC."

(b) The reference to "July 31, 2009" in Section 1(a) of the Note is hereby amended and replaced with "June 30, 2010".

(c) The following Section 6(i) is added to Section 6 of the Note following Section 6(h) thereof:

"(i) The occurrence of any Event of Default under the June 2009 Notes (as Event of Default is defined in such June 2009 Notes). "June 2009 Notes" shall mean those Series 2009 5% Secured Convertible Promissory Notes issued and sold by the Company pursuant to that certain Standby Convertible Note Purchase Agreement by and among the Company and those purchasers as listed therein, dated on or around June 26, 2009."

(d) Section 12 of the Note is hereby deleted in its entirety and replaced with the following:

"12. Amendments. This Note may not be waived, modified or amended in any manner except in writing executed by the Company and the Majority Noteholders (as defined below) which writing shall be binding upon the Payee regardless of whether the Payee is among the holders actually executing such writing; provided that any such waiver, modification or amendment that would have a materially disproportionate adverse effect on the Payee's rights hereunder compared to the holders of the other Promissory Notes, the May 2007 Notes, the July 2008 Notes and the October 2008 Notes shall require execution by the Payee. "Majority Noteholders" shall mean the holders of a majority-in-interest of principal amount of all then-outstanding Promissory Notes, the May 2007 Notes, the July 2008 Notes and the October 2008 Notes."

(e) The second paragraph of Section 19 of the Note is hereby amended in its entirety to read as follows:

"THIS NOTE AND THE RIGHTS PROVIDED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE TERMS OF THE THIRD AMENDED AND RESTATED SUBORDINATION AGREEMENT OF EVEN DATE HEREWITH AMONG THE AGENT OF THE PAYEE, THE AGENT OF THE HOLDERS OF THE SERIES 2009 5% SECURED CONVERTIBLE PROMISSORY NOTES (THE "JUNE 2009 NOTES"), THE AGENT OF THE HOLDERS OF THE SERIES A 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES B 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES C 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES D 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "JULY 2008 NOTES") AND THE SERIES E 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "OCTOBER 2008 NOTES") AND SAND HILL FINANCE, LLC."

2. Acknowledgment and Waiver. Notwithstanding the provisions of Section 4 of the Note, the Holder hereby acknowledges that the June 2009 Notes issued pursuant to the Standby Convertible Note Purchase Agreement shall be senior to the indebtedness evidenced by the Note, and the Holder hereby waives any rights or claims that such issuance constitutes or gives rise to an Event of Default or that the Company is otherwise in violation of the Note or any related agreements as a result of such issuance.

3. Ratification, Etc. Except as expressly amended hereby, all terms and conditions of the Note, as amended, are hereby ratified and confirmed in all respects and shall continue in full force and effect. The obligations under the Note shall be deemed to be continuously outstanding and shall not be deemed to have been repaid and readvanced or refinanced hereunder or hereby. The Note, the Prior Amendments, the Omnibus Agreement and this Amendment shall be read and construed as a single agreement. All references to the Note shall hereafter refer to such Note, as amended pursuant to the Prior Amendments, the Omnibus Agreement and hereby.

4. No Novation. THE COMPANY AND THE HOLDER HAVE ENTERED INTO THIS AMENDMENT SOLELY TO AMEND CERTAIN OF THE TERMS OF THE NOTE. THEY DO NOT INTEND THIS AMENDMENT NOR THE TRANSACTIONS CONTEMPLATED HEREBY TO BE, AND THIS AMENDMENT AND THE TRANSACTION CONTEMPLATED HEREBY SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING UNDER OR IN CONNECTION WITH THE NOTE.

5. No Waiver. Except as expressly set forth herein, nothing contained herein shall constitute a waiver of, impair or otherwise affect, any obligation of the Company under any Note or any rights of any Holder consequent thereon.

6. Counterparts; Facsimile Execution. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile or other means of electronic image transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

7. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York (without reference to conflict of laws).

[*Signature page follows.*]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Company:

AXS-ONE INC.

By:

Name:
Title:

Holder:

Print Exact Name: _____

By: _____

Name:
Title:

[*Signature Page to Third Amendment to Series C 6% Secured Convertible Promissory Note*]

Exhibit 10.9

SECOND AMENDMENT TO
SERIES D 6% SECURED CONVERTIBLE PROMISSORY NOTE

This Second Amendment, dated June 29, 2009, (this "Amendment") amends certain provisions of the Series D 6% Secured Convertible Promissory Note in the original principal amount of $[_____], issued by AXS-One Inc., a Delaware corporation (the "Company") (No. PN-2008-D-**[_]**), due May 29, 2009 and dated as of July 24, 2008 (as amended pursuant to the Prior Amendment (as defined below) and the Omnibus Agreement (as defined below), the "Note"), and is by and between the Company and [_____] (the "Holder"). Terms not otherwise defined herein which are defined in the Note shall have the same respective meanings herein as therein.

WHEREAS, the Note was previously amended pursuant to an Amendment to Series D 6% Secured Convertible Promissory Note due May 29, 2009, dated October 30, 2008, by and between the Company and the Holder (the "Prior Amendment");

WHEREAS, the Note was previously further amended pursuant to the Omnibus Amendment (the "Omnibus Agreement") made and entered into as of May 29, 2009 among the Company, the Holder and each of the other investors a party thereto;

WHEREAS, on the date hereof, the Company issued in favor of certain purchasers (the "Purchasers") promissory notes, in the aggregate principal amount of up to Two Hundred and Fifty Thousand Dollars ($250,000) (collectively the "June 2009 Notes"), and such June 2009 Notes were issued pursuant to the terms of a Standby Convertible Note Purchase Agreement, dated as of the date hereof, among the Company and such Purchasers; and

WHEREAS, the Company and the Holder have agreed to modify certain terms and conditions of the Note as specifically set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments to the Note.

(a) The first paragraph of the header of the Note is hereby amended in its entirety to read as follows:

"THIS NOTE AND THE RIGHTS PROVIDED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE TERMS OF THE THIRD AMENDED AND RESTATED SUBORDINATION AGREEMENT OF EVEN DATE HEREWITH AMONG THE AGENT OF THE PAYEE, THE AGENT OF THE HOLDERS OF THE SERIES 2009 5% SECURED CONVERTIBLE PROMISSORY NOTES, THE AGENT OF THE HOLDERS OF THE SERIES A 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES B 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES C 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES D 6% SECURED CONVERTIBLE PROMISSORY NOTES AND THE SERIES E 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "OCTOBER 2008 NOTES") AND SAND HILL FINANCE, LLC."

(b) The reference to "July 31, 2009" in Section 1(a) of the Note is hereby amended and replaced with "June 30, 2010".

(c) The following subsection (f) is hereby added to Section 6 of the Note immediately following subsection (e) thereof:

"(f) The occurrence of any Event of Default under the June 2009 Notes (as Event of Default is defined in such June 2009 Notes). "June 2009 Notes" shall mean those Series 2009 5% Secured Convertible Promissory Notes issued and sold by the Company pursuant to that certain Standby Convertible Note Purchase Agreement by and among the Company and those purchasers as listed therein, dated on or around June 29, 2009."

(d) Section 12 of the Note is hereby deleted in its entirety and replaced with the following:

"12. Amendments. This Note may not be waived, modified or amended in any manner except in writing executed by the Company and the Majority Noteholders (as defined below) which writing shall be binding upon the Payee regardless of whether the Payee is among the holders actually executing such writing; provided that any such waiver, modification or amendment that would have a materially disproportionate adverse effect on the Payee's rights hereunder compared to the holders of the other Promissory Notes, the May 2007 Notes, the November 2007 Notes and the October 2008 Notes shall require execution by the Payee. "Majority Noteholders" shall mean the holders of a majority-in-interest of principal amount of all then-outstanding Promissory Notes, the May 2007 Notes, the November 2007 Notes and the October 2008 Notes."

(e) The first paragraph of Section 19 of the Note is hereby amended in its entirety to read as follows:

"THIS NOTE AND THE RIGHTS PROVIDED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE TERMS OF THE THIRD AMENDED AND RESTATED SUBORDINATION AGREEMENT OF EVEN DATE HEREWITH AMONG THE AGENT OF THE PAYEE, THE AGENT OF THE HOLDERS OF THE SERIES 2009 5% SECURED CONVERTIBLE PROMISSORY NOTES, THE AGENT OF THE HOLDERS OF THE SERIES A 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES B 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES C 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES D 6% SECURED CONVERTIBLE PROMISSORY NOTES AND THE SERIES E 6% SECURED CONVERTIBLE PROMISSORY NOTES (THE "OCTOBER 2008 NOTES") AND SAND HILL FINANCE, LLC."

2. Acknowledgment and Waiver. Notwithstanding the provisions of Section 4 of the Note, the Holder hereby acknowledges that the June 2009 Notes issued pursuant to the Standby Convertible Note Purchase Agreement shall be senior to the indebtedness evidenced by the Note, and the Holder hereby waives any rights or claims that such issuance constitutes or gives rise to an Event of Default or that the Company is otherwise in violation of the Note or any related agreements as a result of such issuance.

3. Ratification, Etc. Except as expressly amended hereby, all terms and conditions of the Note, as amended, are hereby ratified and confirmed in all respects and shall continue in full force and effect. The obligations under the Note shall be deemed to be continuously outstanding and shall not be deemed to have been repaid and readvanced or refinanced hereunder or hereby. The Note, the Prior Amendment, the Omnibus Agreement and this Amendment shall be read and construed as a single agreement. All references to the Note shall hereafter refer to such Note, as amended pursuant to the Prior Amendment, the Omnibus Agreement and hereby.

4. No Novation. THE COMPANY AND THE HOLDER HAVE ENTERED INTO THIS AMENDMENT SOLELY TO AMEND CERTAIN OF THE TERMS OF THE NOTE. THEY DO NOT INTEND THIS AMENDMENT NOR THE TRANSACTIONS CONTEMPLATED HEREBY TO BE, AND THIS AMENDMENT AND THE TRANSACTION CONTEMPLATED HEREBY SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING UNDER OR IN CONNECTION WITH THE NOTE.

5. No Waiver. Except as expressly set forth herein, nothing contained herein shall constitute a waiver of, impair or otherwise affect any obligation of the Company under any Note or any rights of any Holder consequent thereon.

6. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile or other means of electronic image transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

7. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York (without reference to conflict of laws).

[*Signature page follows.*]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Company:

AXS-ONE INC.

By: _____
Name:
Title:

Holder:

Print Exact Name: _____

By: _____
Name:
Title:

[*Signature Page to Second Amendment to Series D 6% Secured Convertible Promissory Note*]

Exhibit 10.10

AMENDMENT TO
SERIES E 6% SECURED CONVERTIBLE PROMISSORY NOTE

This Amendment, dated June 26, 2009, (this "Amendment") amends certain provisions of the Series E 6% Secured Convertible Promissory Note in the original principal amount of $[_____], issued by AXS-One Inc., a Delaware corporation (the "Company") (No. PN-2008-E-[_]), due May 29, 2009 and dated as of October 30, 2008 (as amended pursuant to the Omnibus Agreement (as defined below), the "Note"), and is by and between the Company and [_____] (the "Holder"). Terms not otherwise defined herein which are defined in the Note shall have the same respective meanings herein as therein.

WHEREAS, the Note was previously amended pursuant to the Omnibus Amendment (the "Omnibus Agreement") made and entered into as of May 29, 2009 among the Company, the Holder and each of the other investors a party thereto;

WHEREAS, on the date hereof, the Company issued in favor of certain purchasers (the "Purchasers") promissory notes, in the aggregate principal amount of up to Two Hundred and Fifty Thousand Dollars ($250,000) (collectively the "June 2009 Notes"), and such June 2009 Notes were issued pursuant to the terms of a Standby Convertible Note Purchase Agreement dated as of the date hereof, among the Company and such Purchasers; and

WHEREAS, the Company and the Holder have agreed to modify certain terms and conditions of the Note as specifically set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments to the Note.

(a) The first paragraph of the header of the Note is hereby amended in its entirety to read as follows:

"THIS NOTE AND THE RIGHTS PROVIDED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE TERMS OF THE THIRD AMENDED AND RESTATED SUBORDINATION AGREEMENT OF EVEN DATE HEREWITH AMONG THE AGENT OF THE PAYEE, THE AGENT OF THE HOLDERS OF THE SERIES 2009 5% SECURED CONVERTIBLE PROMISSORY NOTES, THE AGENT OF THE HOLDERS OF THE SERIES A 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES B 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES C 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES D 6% SECURED CONVERTIBLE PROMISSORY NOTES AND THE SERIES E 6% SECURED CONVERTIBLE PROMISSORY NOTES AND SAND HILL FINANCE, LLC."

(b) The reference to "July 31, 2009" in Section 1(a) of the Note is hereby amended and replaced with "June 30, 2010".

(c) The following Section 6(e) is added to Section 6 of the Note following Section 6(d) thereof:

"(e) The occurrence of any Event of Default under the June 2009 Notes (as Event of Default is defined in such June 2009 Notes). "June 2009 Notes" shall mean those Series 2009 5% Secured Convertible Promissory Notes issued and sold by the Company pursuant to that certain Standby Convertible Note Purchase Agreement by and among the Company and those purchasers as listed therein, dated on or around June 26, 2009."

(d) Section 12 of the Note is hereby deleted in its entirety and replaced with the following:

"12. Amendments. This Note may not be waived, modified or amended in any manner except in writing executed by the Company and the Majority Noteholders (as defined below) which writing shall be binding upon the Payee regardless of whether the Payee is among the holders actually executing such writing; provided that any such waiver, modification or amendment that would have a materially disproportionate adverse effect on the Payee's rights hereunder compared to the holders of the other Promissory Notes, the May 2007 Notes, the November 2007 Notes and the July 2008 Notes shall require execution by the Payee. "Majority Noteholders" shall mean the holders of a majority-in-interest of principal amount of all then-outstanding Promissory Notes, the May 2007 Notes, the November 2007 Notes and the July 2008 Notes."

(e) The first paragraph of Section 19 of the Note is hereby amended in its entirety to read as follows:

"THIS NOTE AND THE RIGHTS PROVIDED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE TERMS OF THE THIRD AMENDED AND RESTATED SUBORDINATION AGREEMENT OF EVEN DATE HEREWITH AMONG THE AGENT OF THE PAYEE, THE AGENT OF THE HOLDERS OF THE SERIES 2009 5% SECURED CONVERTIBLE PROMISSORY NOTES, THE AGENT OF THE HOLDERS OF THE SERIES A 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES B 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES C 6% SECURED CONVERTIBLE PROMISSORY NOTES, THE SERIES D 6% SECURED CONVERTIBLE PROMISSORY NOTES AND THE SERIES E 6% SECURED CONVERTIBLE PROMISSORY NOTES AND SAND HILL FINANCE, LLC."

2. Acknowledgment and Waiver. Notwithstanding the provisions of Section 4 of the Note, the Holder hereby acknowledges that the June 2009 Notes issued pursuant to the Standby Convertible Note Purchase Agreement shall be senior to the indebtedness evidenced by the Note, and the Holder hereby waives any rights or claims that such issuance constitutes or gives rise to an Event of Default or that the Company is otherwise in violation of the Note or any related agreements as a result of such issuance.

3. Ratification, Etc. Except as expressly amended hereby, all terms and conditions of the Note, as amended, are hereby ratified and confirmed in all respects and shall continue in full force and effect. The obligations under the Note shall be deemed to be continuously outstanding and shall not be deemed to have been repaid and readvanced or refinanced hereunder or hereby. The Note, the Omnibus Agreement and this Amendment shall be read and construed as a single agreement. All references to the Note shall hereafter refer to such Note, as amended hereby.

4. No Novation. THE COMPANY AND THE HOLDER HAVE ENTERED INTO THIS AMENDMENT SOLELY TO AMEND CERTAIN OF THE TERMS OF THE NOTE. THEY DO NOT INTEND THIS AMENDMENT NOR THE TRANSACTIONS CONTEMPLATED HEREBY TO BE, AND THIS AMENDMENT AND THE TRANSACTION CONTEMPLATED HEREBY SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING UNDER OR IN CONNECTION WITH THE NOTE.

5. No Waiver. Except as expressly set forth herein, nothing contained herein shall constitute a waiver of, impair or otherwise affect, any obligation of the Company under any Note or any rights of any Holder consequent thereon.

6. Counterparts; Facsimile Execution. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile or other means of electronic image transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

7. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York (without reference to conflict of laws).

[*Signature page follows.*]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Company:

AXS-ONE INC.

By: _____
Name:
Title:

Holder:

Print Exact Name: _____

By: _____
Name:
Title:

[*Signature Page to Amendment to*
Series E 6% Secured Convertible Promissory Note]

Exhibit 10.11

AXS-ONE INC.

Waiver of Participation Rights

1. Background. The undersigned, being holders (the "*Holders*") of Series A 6% Secured Convertible Promissory Notes, Series B 6% Secured Convertible Promissory Notes, Series C 6% Convertible Promissory Notes, Series D 6% Convertible Promissory Notes and/or Series E 6% Convertible Promissory Notes and Common Stock Purchase Warrants (the "*Securities*") of AXS-One Inc., a Delaware corporation (the "*Company*"), have certain rights of participation ("*Participation Rights*") pursuant to Section 4.7 of the Convertible Note and Warrant Purchase Agreement, dated as of October 30, 2008 (the "*October 2008 Agreement*"), among the Company and the Holders, pursuant to which each Holder has a right to purchase its respective *pro rata* share (based on the ratio that the aggregate amount of Securities purchased by it pursuant to the Convertible Note and Warrant Purchase Agreement, dated as of May 29, 2007 (the "*May 2007 Agreement*"), the Convertible Note and Warrant Purchase Agreement, dated as of November 13, 2007 (the "*November 2007 Agreement*"), the Convertible Note and Warrant Purchase Agreement, dated as of July 24, 2008 (the "*July 2008 Agreement*") and/or the October 2008 Agreement bears to the aggregate amount of Securities purchased by all such Holders pursuant to the May 2007 Agreement, the November 2007 Agreement, the July 2008 Agreement and/or the October 2008 Agreement) of an aggregate of thirty percent (30%) of the securities being offered by the Company in any future equity financing (including debt with an equity component) during the period beginning on the Closing Date (as defined in the October 2008 Agreement) and ending two (2) years after the date of the October 2008 Agreement.

2. Waiver of Participation Rights. The Company now desires to conduct a new round of financing, in which it will offer for sale and issue its Series 2009 5% Secured Convertible Promissory Notes (the "*New Securities*"), pursuant to a Standby Convertible Note Purchase Agreement dated as of June 26, 2009, among the Company and each party set forth therein as a purchaser. The Holders hereby acknowledge that they have received and reviewed the New Agreement, and do hereby waive their Participation Rights held pursuant to Section 4.7 of the October 2008 Agreement with respect to the New Securities and any other securities issued pursuant to the terms of the New Securities.

3. Execution in Counterparts. This agreement may be executed in two or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument. The executed signature pages hereto may be delivered by facsimile or other means of electronic image transmission, such a copy of any signature page hereto shall have the same force and effect as an original thereof.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Waiver of Participation Rights as of this 26th day of June, 2009.

Aston Assets, S.A.

By: /s/ Alejandro Gonzalez
Name: Alejandro Gonzalez
Title: Secretary

BlueLine Capital Partners, LP

By: BlueLine Partners, LLC,
Its General Partner

By: /s/ Scott A. Shuda
Name: Scott A. Shuda
Title: Managing Director

BlueLine Capital Partners II, LP

By: BlueLine Partners, LLC,
Its General Partner

By: /s/ Scott A. Shuda
Name: Scott A. Shuda
Title: Managing Director

BlueLine Capital Partners III, LP

By: BlueLine Partners, LLC,
Its General Partner

By: /s/ Scott A. Shuda
Name: Scott A. Shuda
Title: Managing Director

Jurika Family Trust U/A 3/17/1989

By: /s/ William K. Jurika
Name: William K. Jurika
Title: Trustee

Sirius Trust

By: /s/ N. Mijsud /s/ P. DeSalis
Name: Primafides (Suisse) S.A. as Trustees of Sirius Trust
Title: Directors

/s/ David H. Burch
Daniel H. Burch

/s/ Harold D. Copperman
Harold D. Copperman

/s/ Robert J. Migliorino
Robert J. Migliorino

/s/ Philip L. Rugani
Philip L. Rugani

/s/ William P. Lyons
William P. Lyons

[AXS-One, Inc. Waiver of Participation Rights]