

04-05-2002



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Substitute Form PTO-1595  
Attorney Docket No.: 13811-004001**CORDATION FORM COVER SHEET  
PATENTS ONLY**

4.1.02

Commissioner for Patents: Please record the attached original document(s) or copy(ies).	
1. Name of conveying party(ies): Robert R. Detore and Michael Kinkead Additional name(s) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2. Name and address of receiving party(ies): PowerMedia & Communications, Inc. 800 Wilder Way Tyler, Texas 75703  Additional names/addresses attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other: Execution Date: 02/22/2002	4. Application number(s) or patent number(s): If this document is being filed with a new application, the execution date of the application is: A. Patent Application No(s): B. Patent No(s): 5,982,276 Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5. Name/address of party to whom correspondence concerning document should be mailed: W. KARL RENNER Fish & Richardson P.C. 601 Thirteenth Street, NW Washington, DC 20005	6. Total number of applications/patents involved: 1 7. Total fee (37 CFR §3.41): \$40 <input checked="" type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to charge Deposit Account. 8. Deposit Account No.: 06-1050 Please apply any additional charges, or any credits, to our Deposit Account No. 06-1050.
<b>DO NOT USE THIS SPACE</b>	
9. Statement and Signature: <i>To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.</i>  W. Karl Renner Reg. No. 41,265 Name of Person Signing  Signature: <i>[Signature]</i> Date: 4/1/02	
Total number of pages including coversheet, attachments and document: 58	

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**PATENT  
REEL: 012735 FRAME: 0799**

## NOTE PURCHASE AND ASSIGNMENT AGREEMENT

This Note Purchase and Assignment Agreement (this "Agreement"), dated as of February 22, 2002, by and among PowerMedia & Communications, Inc., a Delaware corporation (the "Buyer"), Robert R. Detore, an individual and resident of the State of New Jersey, and Michael Kinead, an individual and resident of the State of New Jersey (each a "Seller," and together, the "Sellers").

WHEREAS, on October 16, 2000, the Sellers were issued a Secured Promissory Note by Media Fusion, Inc., a Delaware corporation (the "Issuer"), in the original principal amount of \$275,000 (the "Note"), a copy of which is attached hereto as Exhibit A;

WHEREAS, in connection with the making of the Note, and to induce the Sellers to accept the Note, the Sellers and the Issuer executed certain ancillary agreements that granted the Sellers certain security interests and other rights in the event of a default under the Note, including: (i) a Stock Pledge Agreement, dated as of October 16, 2000, (ii) a Security Agreement, dated as of October 16, 2000, (iii) and an Intellectual Property Security Agreement, dated as of October 16, 2000 (collectively, the "Security Agreements"); copies of which are attached hereto as Exhibit B;

WHEREAS, in connection with the making of the Note, Media Fusion Holdings, Inc., a Delaware corporation and the parent corporation of the Issuer, executed a Guaranty to and for the benefit of the Sellers, dated October 16, 2000 (the "Guaranty"), a copy of which is attached hereto as Exhibit B (such Guaranty to be included within the definition of the Security Agreements);

WHEREAS, the Buyer desires to purchase, and the Sellers desire to sell, the Note, on the terms and conditions contained herein; and

WHEREAS, in connection with the purchase and sale of the Note, the Sellers also desire to assign and the Buyer desires to accept an assignment of the Security Agreements;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and undertakings herein, and for such other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

### Article I

#### Purchase and Sale of the Note

1.1 Purchase and Sale of the Note. On the terms and subject to the conditions set forth in this Agreement, the Buyer shall purchase from the Sellers, and the Sellers shall sell, convey, assign, transfer and deliver to the Buyer upon the execution hereof, all of the Sellers' right, title and interest in the Note.

1.2 Assignment of the Security Agreements. On the terms and subject to the conditions set forth in this Agreement, upon the execution hereof the Sellers shall convey, assign, transfer and deliver to the Buyer all right, title and interest in and to the Security Agreements.

1.3 Payments. The Buyer shall pay the Sellers \$237,500 in the aggregate as the purchase price for the Note and the assignment of the Security Agreements (the "Purchase Price"), allocated between the Sellers if so specified by the Sellers in writing, by certified check or wire transfer of immediately available funds pursuant to the Sellers' direction or wiring instructions.

1.4 Closing Process. Upon execution of this Agreement by all of the parties hereto, the Sellers shall deliver to the Buyer (i) all copies of the Note in their possession, (ii) all copies of the Security Agreements in their possession, (iii) any pledged collateral in their possession associated with the Security Agreements (the "Pledged Collateral"), a description of which is attached hereto as Exhibit C, and (iv) an affidavit and indemnity agreement, in the form attached hereto as Exhibit D, regarding the failure of the Issuer to deliver the original copies of such documents to them. Upon the Buyer's receipt of the documents referred to in the preceding sentence and the Pledged Collateral, the Buyer shall pay to the Sellers, by certified check or wire transfer of immediately available funds, as specified by the Sellers, the Purchase Price. The date upon which the Purchase Price is paid to the Sellers shall be the "Closing Date" (so called herein).

## Article II

### Representations and Warranties of the Sellers

To induce the Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, the Sellers, jointly and severally, hereby make the following representations and warranties to the Buyer on the date hereof and on the Closing Date:

2.1 Power and Capacity. Each Seller has full legal power and capacity to execute, deliver, and perform this Agreement and has full legal power to sell his portion of the Note and assign his right, title and interest in the Security Agreements, in accordance with this Agreement.

2.2 Binding Obligation. This Agreement is the valid and binding obligation of the Sellers, enforceable against each Seller in accordance with its terms except to the extent that enforceability may be limited by (a) that certain settlement agreement by and among Media Fusion Holdings, Inc., the Issuer, MF Technologies, LLC, Steven Katz, individually and on behalf of Steven Katz & Associates, Inc., Ian Markofsky, individually and on behalf of Viking Investment Group II, Inc., Parenteau Corporation, Kaplan Gottbetter & Levenson, LLP, and each Seller individually, that was executed on or about April 5, 2001, (the "Settlement Agreement"), (b) the provisions of the Note and the Securities Purchase Agreement, dated as of October 16, 2000 (the "Securities Purchase Agreement"), by and among Media Fusion, Inc., and Media Fusion Holdings, Inc. and Robert R. Detore and Michael Kinkead that purport to prohibit or

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*Robert R. Detore*  
*Michael Kinkead*

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REEL: 012735 FRAME: 0801

2000 (the "Securities Purchase Agreement"), by and among Media Fusion, Inc., and Media Fusion Holdings, Inc. and Robert R. Detore and Michael Kinhead that purport to prohibit or restrict the transfer of the Note without the Issuer's consent, (c) bankruptcy or insolvency laws, or (d) other laws generally relating to creditors' rights, or by general equitable principles, and the transfer and sale to the Buyer of the Note and assignment of the Security Agreements, will not conflict with or violate the terms of any agreement to which either Seller is a party.

2.3 Title to the Note; No Liens. The Sellers are the sole owners of the Note, and have not transferred or assigned any interest in the Note to a third party. The Sellers are the beneficial owners of the Note, and, to the best of their knowledge, the record owners of the Note. The transfer and sale to the Buyer contemplated herein will vest the Buyer with, all right, title and interest of the Sellers in and to the Note, free and clear of all liens, charges, claims, restrictions or other encumbrances. To the best of the Sellers' knowledge, except (a) as a result of the Settlement Agreement and (b) for claims by the Issuer based on a failure of either or both of the Sellers to timely assert rights or exercise remedies under the Note or the Security Agreement, there are no claims, offsets, or counterclaims of any nature, at law or in equity, which would give rise to defenses against enforcement of the Note. The Sellers together own 100% of the Note.

2.4 No Amendment or Modification. Except (a) as a result of the Settlement Agreement and (b) for claims by the Issuer based on a failure of either or both of the Sellers to timely assert rights or exercise remedies under the Note or the Security Agreement, the Note and the Security Agreements, hereto attached as Exhibits A and B, respectively, to be sold to the Buyer pursuant to this Agreement, are the true and correct copies of such documents, and they have not been amended, modified or supplemented by the Sellers or any other party thereto.

2.5 Amount of the Note. The unpaid principal balance of the Note as of the date hereof and the principal amount stated on the face of the Note are the same, such principal amount is still fully outstanding, and no interest has been paid or prepaid on the Note since its issuance.

2.6 Interest in the Security Agreements. To the best of their knowledge, the Sellers are the only secured parties of the Security Agreements. The Sellers have not conveyed, transferred, or assigned any interests in the Security Agreements to any third party. The Sellers have not executed any agreement releasing, subordinating, or impairing the priority or status of any lien or security interest granted by the Security Agreements, other than the Settlement Agreement. Each Seller has full legal power to, convey, assign, transfer and deliver his right, title and interest in the Security Agreements and the Pledged Collateral in accordance with the terms of this Agreement.

2.7 No Violations. The transfer and sale by the Sellers of the Note, and the assignment of the Security Agreements, will not violate, to the best of the Sellers' knowledge, any law, ordinance or governmental rule or regulation applicable to the Sellers. There is no order of any court, governmental body or arbitration board or tribunal to which the Sellers are subject that would prohibit the consummation of the transactions contemplated hereby.

2.8 No Brokers or Finders. Neither Seller has engaged a broker, person, firm or corporation that has or will have, as a result of any act or omission of either Seller, any right, interest or valid claim against the Buyer for any commission, fee or other compensation as a finder or broker in connection with the transactions contemplated by this Agreement.

2.9 Disclaimer of the Sellers.

(a) Notwithstanding anything express or implied herein to the contrary, the Sellers expressly disclaim any and all representations and warranties regarding the Note, the Security Agreements and the Issuer except to the limited and express extent set forth in this Article II.

(b) Notwithstanding the representations set forth in Sections 2.1 through 2.8, the Sellers hereby expressly disclaim any representation or warranty relating to: the enforceability of the Note and/or the Security Agreements; the willingness of the Issuer to recognize any of its executory obligations under the Note and/or the Security Agreements; any liability and executory obligations that may be associated with the holding of title to the Note and the Security Agreements; the willingness of the Issuer to recognize the Buyer as the owner of the Note and Security Agreements; whether the Issuer sold "Additional Notes" as contemplated by Section 1.d. of the Securities Purchase Agreement and any other risks to the Buyer in its purchase and ownership of the Note and the Security Agreements as a result of (i) the Settlement Agreement or any failure by the Sellers to timely assert rights or exercise remedies under the Note or the Security Agreements, and (ii) the failure of the Sellers or any other party to obtain the Issuer's consent to, or the registration on the Issuer's books and records of, the transfer of the Note and Security Agreements as contemplated by this Agreement.

(c) Nothing in this Agreement is intended to transfer any interest Sellers may now or hereafter have in the Issuer or, any affiliate of the Issuer or that may arise from or be represented or evidenced by any document other than the Note and the Security Agreements. For the avoidance of doubt, this Agreement is not intended to transfer any shares of stock either of the Sellers (or their successors) may own or have a right to in the Issuer or any of its affiliates, including, without limitation, the Issuer's parent.

**Article III**  
**Representations and Warranties of the Buyer**

To induce the Sellers to enter into this Agreement and to consummate the transactions contemplated hereby, the Buyer hereby makes the following representations and warranties to the Sellers on the date hereof and on the Closing Date:

3.1 Organization and Standing. The Buyer is a corporation validly existing and in good standing under the laws of the State of Delaware.

3.2 Corporate Authorization. The Buyer has full corporate power and authority to execute, deliver and perform this Agreement and has taken all corporate action necessary to authorize the execution, delivery and performance of this Agreement.

3.3 Binding Obligation. This Agreement is the valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms (except to the extent that enforceability may be limited by bankruptcy or insolvency laws or other laws generally relating to creditors' rights, or by general equitable principles).

3.4 No Brokers or Finders. The Buyer has not engaged any broker, person, firm or corporation that has or will have, as a result of any act or omission of the Buyer, any right, interest or valid claim against either of the Sellers for any commission, fee or other compensation as a finder or broker in connection with the transactions contemplated by this Agreement.

#### **Article IV** **Covenants of the Buyer**

4.1 Covenant on Transfer. The Buyer hereby covenants that, prior to conveying, transferring or assigning the Note or the Security Agreements, the Buyer will require the proposed transferee or assignee to acknowledge and agree to the disclaimer of the Sellers contained in Section 2.9 of this Agreement.

4.2 Covenant against Suit. The Buyer hereby covenants that it will not bring suit against either Seller in connection with the representations and warranties disclaimed by the Sellers in Section 2.9 of this Agreement.

#### **Article V** **Miscellaneous**

5.1 Indemnification. The Sellers shall jointly and severally indemnify the Buyer for losses caused by the breach of any representation or warranty contained in Article II of this Agreement. The Buyer shall indemnify the Sellers for losses caused by the breach of any representation or warranty contained in Article III of this Agreement. Such indemnification obligations shall continue for 12 months from the Closing Date.

5.2 Further Assurances. The parties hereto agree to take such further actions and execute and deliver such further instruments as another party may reasonably request in order to carry out the provisions and intent of this Agreement.

5.3 Notices. Any notice or communication given pursuant hereto by any party to the other parties hereto will be in writing and will be delivered or mailed by registered mail, postage prepaid or sent by Federal Express or other comparable nationally recognized courier service, or by telecopy, as follows:

If to the Sellers: Robert R. Detore  
9 Crestmont Road  
Verona, New Jersey 07044  
Telecopier: (973) 571-9747

If to the Buyer: PowerMedia & Communications, Inc.  
800 Wilder Way  
Tyler, Texas 75703  
Attn: Steven K. Yoder  
Telecopier: \_\_\_\_\_

or to such other address or telecopy number as will hereinafter be furnished in writing by any party hereto to the other party hereto.

5.4 Expenses. Each of the parties hereto will bear its own expenses incurred in connection with the transactions contemplated hereby.

5.5 Entire Agreement. This Agreement and the Exhibits attached hereto (which are herein incorporated by reference) set forth the entire agreement among the Buyer and the Sellers relating to the purchase and sale of the Note and the assignment of the Security Agreements, and supersede all prior agreements or understandings among such parties. This Agreement may be amended or modified only by a written instrument signed by the Buyer and the Sellers.

5.6 Governing Law; Venue. This Agreement will be governed by and construed in accordance with the laws of the State of Delaware. Venue for any action brought hereunder shall be proper only in the county of the respondent.

5.7 Counterparts. This Agreement may be executed in one or more counterparts, including by facsimile signature, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

5.8 Binding Effect; Assignment. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns; *provided, however*, that the Sellers shall not have the right to assign this Agreement without the prior written consent of the Buyer, which consent may be withheld by the Buyer in its sole and absolute discretion.

5.9 Headings. The headings in this Agreement are for reference purposes only and will not affect the meaning or interpretation of this Agreement.

5.10 Remedies. If any one or more of the covenants and/or agreements set forth in this Agreement will have been breached by the Sellers or the Buyer, the other party may proceed to protect and enforce its rights either by suit in equity and/or by action at law, including, without limitation, an action for damages as a result of any such breach and/or an action for specific performance of any such covenant or agreement set forth in this Agreement.

5.11 Knowledge. An individual shall be deemed to have "knowledge" of a particular fact or other matter if (i) such individual is actually aware of such fact or other matter, or (ii) a prudent person serving in the same capacity as such individual would be expected to discover or otherwise become aware of such fact or other matter in the course of performing the official




duties of such individual. Any corporation shall be deemed to have "knowledge" of a particular fact or other matter if any individual serving as a director or officer (or in any similar capacity) of the corporation has Knowledge (as set forth above) of such fact or other matter.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed  
as of the day and year first above written.

**THE BUYER:**

PowerMedia & Communications, Inc.

By:   
Name: STEVEN K. ROEDEL  
Title: \_\_\_\_\_

**THE SELLERS:**

  
Robert R. Detore

\_\_\_\_\_  
Michael Kinkead

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed  
as of the day and year first above written.

**THE BUYER:**

PowerMedia & Communications, Inc.

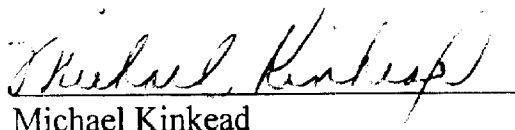
By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**THE SELLERS:**

\_\_\_\_\_  
Robert R. Detore

  
\_\_\_\_\_  
Michael Kinkead

**EXHIBIT A**

**COPY OF SECURED PROMISSORY NOTE**

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**PATENT**  
**REEL: 012735 FRAME: 0810**

\$275,000.00 USD  
October 16, 2000

MEDIA FUSION, INC.

Secured Promissory Note

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THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS AND HAS BEEN ISSUED IN RELIANCE UPON SECTION 4(2) OF THE SECURITIES ACT AND/OR REGULATION D PROMULGATED UNDER THE SECURITIES ACT. THIS NOTE SHALL NOT CONSTITUTE AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THE NOTE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.

THIS NOTE MAY NOT BE SOLD, PLEDGED, TRANSFERRED, PLEDGED, ASSIGNED, HYPOTHECATED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS, OR IN A TRANSACTION WHICH IS EXEMPT FROM REGISTRATION UNDER THE PROVISIONS OF THE SECURITIES ACT AND SUCH STATE SECURITIES LAWS.

This Note is being issued pursuant to the terms of a Securities Purchase Agreement, dated as of the date hereof, by and among Media Fusion, Inc. (the "ISSUER"), Media Fusion Holdings, Inc., f/k/a MFH Media, Inc., a Delaware corporation (the "Company"), and Robert R. Detore and Michael Kinhead, the registered holders hereof or their registered permitted assigns, if any (collectively, the "HOLDER").

FOR VALUE RECEIVED, the ISSUER promises to pay to the HOLDER the principal sum of: Two Hundred Seventy-Five Thousand and no/100 United States Dollars (\$275,000.00), on the Maturity Date (as defined below) and to pay interest, at the rate or rates set forth below on the principal sum outstanding during the term of this Note. Accrual of interest shall commence on the date hereof. Interest shall be payable by the ISSUER on the Maturity Date. The principal and interest so payable will be paid to the person in whose name this Note is registered on the records of the ISSUER regarding registration and transfers of the Note (the "Note Register"); provided, however, that the ISSUER'S obligation to a transferee of this Note arises only if such transfer, sale or other disposition is made in accordance with the terms and conditions contained in this Note. This Note may be prepaid, in whole or in part, at any time and from time to time prior to the Maturity Date without penalty or premium. Principal and interest on this Note are payable at the address last appearing on the Note Register as designated in writing by the HOLDER hereof from time to time pursuant to the terms of this Note.

This Note shall mature, and all principal outstanding and interest accrued thereon shall be payable on the first to occur of: (i) the closing of the sale by the Company of at least

million of its common stock, par value \$.0001 per share ("Common Stock"), pursuant to private placement to be conducted by the Company pursuant to Rule 506 of Regulation D following the issuance of this Note (the "Private Placement"); (ii) the closing of a licensing arrangement involving the ISSUER'S intellectual property which results in aggregate gross proceeds to the ISSUER of at least \$1,500,000; and (iii) the last to occur of the expiration of 90 days following the date hereof (the "Initial Term"), the expiration of the First Extension (as defined below) and the expiration of the Second Extension (as defined below).

If, during the period commencing on the date hereof and continuing through the 120<sup>th</sup> day following the date hereof (the "Initial Term"); the ISSUER elects to extend the term hereof by giving notice thereof to the HOLDER no later than five days prior to the expiration of the Initial Term, the term hereof shall be extended for a period of sixty (60) days commencing on the day immediately following the last day of the Initial Term (the "First Extension"). If the ISSUER elects to extend further the term hereof and gives notice thereof to the HOLDER no later than five days prior to the expiration of the First Extension, the term hereof shall be extended for another period of sixty (60) days commencing on the day immediately following expiration of the First Extension (the "Second Extension"). In the event that the term hereof is extended through the expiration of the First Extension or the Second Extension, as provided in this paragraph, the maturity of this Note shall be extended accordingly, except as otherwise provided herein. The maturity of this Note, as the same may be so extended, is hereinafter referred to as the "Maturity Date." The First Extension and the Second Extension are referred to herein individually or collectively as the "Extension Term."

Interest on the outstanding principal amount of this Note shall accrue and be payable from maturity, as follows: If this Note matures on or before the last day of the Initial Term, interest on the outstanding principal amount thereof shall accrue and be payable at the rate equal to the Prime Rate (as defined below) plus three percent (3%) per annum. If this Note matures during the Extension Term, interest on the principal amount outstanding following the expiration of the Initial Term shall accrue and be payable from the first day of the Extension Term at the rate of the Prime Rate plus six percent (6%) per annum. For purposes of this Note, the "Prime Rate" shall mean the prime rate as established by Citibank, N.A. on the date hereof.

The Note is subject to the following additional provisions:

1. This Note has been issued subject to investment representations of the original HOLDER hereof and may not be offered, sold, transferred, assigned, pledged, hypothecated or exchanged except (a) upon the prior written consent of the ISSUER, which may not be unreasonably withheld, (b) in compliance with the Securities Act and applicable state securities laws, and (c) in compliance with the restrictions on transfer provided in this Note. Prior to the due presentment for such transfer of this Note, the ISSUER and any agent of the ISSUER may treat the person in whose name this Note is duly registered on the Note Register as the owner hereof for the purpose of receiving payment as herein provided and all other purposes, whether or not this Note is overdue, and neither the ISSUER nor any such agent shall be affected by notice to the contrary.



transferee shall be bound, as the original HOLDER, by the same representations and covenants described herein and under any related agreements.

2. If one or more of the following described "Events of Default" shall

(a) Any of the representations or warranties made by the ISSUER herein or by the ISSUER or the Company in the Securities Purchase Agreement shall have been incorrect when made in any material respect; or

(b) Default shall be made in the due and punctual payment of the Note and the interest due thereon when and as the same shall become due and payable, whether at maturity, or by acceleration or otherwise, and such default shall have continued for a period of five (5) business days; or

(c) The ISSUER shall breach, fail to perform, or observe in any material respect any other covenant, term, provision, condition, agreement or obligation of the ISSUER under this Note, or the Securities Purchase Agreement, and such breach or failure to perform shall not have been cured within fifteen (15) business days following delivery of notice of breach or failure to perform, which notice shall only be required with respect to breaches or failures to perform of which the HOLDER is actually aware; or

(d) A trustee, liquidator or receiver shall be appointed for the ISSUER or for a substantial part of its property or business without its consent and shall not be discharged within sixty (60) days after such appointment; or

(e) Any governmental agency or any court of competent jurisdiction at the instance of any governmental agency shall assume custody or control of all the properties or assets of the ISSUER and such assumption of custody or control shall not be dismissed within sixty (60) days thereafter; or

(f) Bankruptcy, reorganization, insolvency or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the ISSUER and, if instituted against the ISSUER, ISSUER shall by any action or answer approve of, consent to, or acquiesce in any such proceedings or admit the material allegations of, or default in, answering a petition filed in any such proceeding or such proceedings shall not be dismissed within thirty (30) days thereafter; or

(g) Any default or breach in any material respect of the ISSUER'S obligations pursuant to the security agreement pursuant to which the indebtedness represented by this Note is secured by certain assets of the ISSUER and the Company ("Security Agreement") and such breach or failure to perform shall not have been cured within fifteen (15) business days following delivery of notice of such breach

or failure to perform, which such notice shall only be required with respect to breaches or failures to perform of which the HOLDER is actually aware,

then, or at any time thereafter, and in each and every such case, unless such Event of Default shall have been waived in writing by the HOLDER (which waiver shall not be deemed to be a waiver of any subsequent default), the interest rate of the Note shall be automatically increased from such date to 18% per annum until the Event of Default is cured, provided that no such interest rate increase, or waiver thereof shall constitute a waiver of any other rights the HOLDER may have as a result of such Event of Default; and with respect to all Events of Default described above, the HOLDER shall have the right to immediately accelerate the maturity hereof and declare all due and unpaid amounts hereon immediately due and payable.

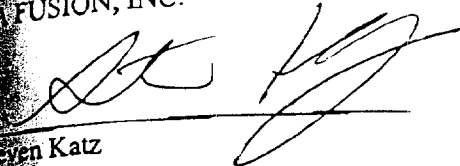
3. This Note, together with the Securities Purchase Agreement and the Security Agreement and all documents annexed hereto and referenced herein and therein, embodies the full and entire understanding and agreement between the ISSUER and HOLDER with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. Neither this Note nor any terms hereof may be amended, waived, discharged or terminated other than by a written instrument signed by the ISSUER and the HOLDER. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Note shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Note.

4. Except for matters arising under the Securities Act, this Note shall be construed and enforced in accordance with and governed by the laws of the State of New York, without reference to principles of conflicts of law. Each of the parties consents to the jurisdiction of the District Court serving New York County, New York in connection with any dispute arising under this Note and hereby waives, to the maximum extent permitted by law, any objection, including any objection based on *forum non conveniens*, to the bringing of any such proceeding in such jurisdiction. Each party hereby agrees that, if the other party to this Note obtains a judgment against it in such a proceeding, the party which obtained such judgment may enforce same by summary judgment in the courts of any state or country having jurisdiction over the party against whom such judgment was obtained, and each party hereby waives any defenses available to it under local law and agrees to the enforcement of such a judgment. Each party to this Note irrevocably consents to the service of process in any such proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party at its address set forth herein. Nothing herein shall affect the right of any party to serve process in any other manner permitted by law.

5. Security. This Note shall be secured by (a) a first priority security interest in the intellectual property referred to in the Intellectual Property Security Agreement attached to the Securities Purchase Agreement as Exhibit E, (b) a pledge by the Company of the outstanding stock of ISSUER pursuant to the terms of a pledge agreement in the form of Exhibit C to the Securities Purchase Agreement, (c) a guaranty of the Company in the form of Exhibit D to the Securities Purchase Agreement, and (d) a

priority security interest in the collateral referred to in the form of Exhibit B attached  
to the Securities Purchase Agreement.

MEDIA FUSION, INC.

By   
Steven Katz  
President

**EXHIBIT B**

**COPIES OF SECURITY AGREEMENTS**

520735-0761 v1

**PATENT**  
**REEL: 012735 FRAME: 0820**

## STOCK PLEDGE AGREEMENT

THIS STOCK PLEDGE AGREEMENT (this "Agreement"), dated as of October 16, 1984, and entered into by and between MEDIA FUSION HOLDINGS, INC., f/k/a MFH (the "Pledgor"), a Delaware corporation (the "Pledgor"), and ROBERT R. DETORE and JAMES H. KINKEAD (collectively, the "Secured Party").

WHEREAS, pursuant to that certain Secured Promissory Note (as it may hereafter from time to time be restated, amended, modified or supplemented, the "Note") of even date herewith between Media Fusion, Inc., a Delaware corporation and a wholly-owned subsidiary of the Issuer (the "Issuer"), payable to the Secured Party, the Secured Party has agreed to provide collateral to the Issuer; and

WHEREAS, as part of the security for such loans, 100 shares (the "Shares") of restricted stock of the Issuer, held of record by the Pledgor, are to be pledged to the Secured Party pursuant to the Note; and

WHEREAS, the Pledgor owns all of the Shares as set forth on Schedule A hereto.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

### Defined Terms.

(a) Except as otherwise expressly provided herein, capitalized terms used in this Agreement shall have the respective meanings assigned to them in the Note. Where not so defined and except as otherwise expressly provided herein, terms used herein (whether or not capitalized) shall have the respective meanings assigned to them in the Uniform Commercial Code as amended in each applicable jurisdiction and as may be amended from time to time (the "Code").

(b) "Pledged Collateral" shall mean and include: (i) the Shares listed on Schedule A attached hereto and made a part hereof, and all rights and privileges pertaining thereto, including, without limitation, all securities and additional securities receivable in respect of or arising from such Shares, all rights to subscribe for securities incident to or arising from such Shares, all cash, interest, stock and other dividends or distributions paid or payable on such Shares, and all books and records pertaining to the foregoing, including, without limitation, all stock record and transfer books; (ii) any and all other securities hereafter pledged by the Pledgor to the Secured Party to secure the Secured Obligations (as hereinafter defined) of the Pledgor, and all rights and privileges pertaining thereto (subject to the other terms hereof), including, without limitation, all securities and additional securities receivable in respect of or arising from such Shares, all rights to subscribe for securities incident to or arising from such Shares, all cash, interest, stock and other dividends or distributions paid or payable on such Shares, and all books and records pertaining to the foregoing; and (iii) whatever interest in any of the foregoing is sold, exchanged or otherwise disposed of, including any interest in such term is defined in the Code.

### Grant of Security Interests.

(a) The Pledgor, to secure on a first priority basis the payment and performance of the indebtedness of every nature of the Issuer under the Note (the "Secured Obligations"), hereby grants to the Secured Party a first priority security interest in all of the Pledgor's now existing and hereafter acquired and/or arising right, title and interest in, to and in the Pledged Collateral owned by such Pledgor, whether now or hereafter existing and wherever located.

(b) Upon the execution and delivery of this Agreement, the Pledgor has caused to be and deposited with the Secured Party in pledge, stock certificates and any other documents evidencing the Pledged Collateral, together with undated stock powers signed in the name of the Pledgor.

### Further Assurances.

Prior to or concurrently with the execution of this Agreement, and thereafter at any time and from time to time upon reasonable request of the Secured Party, the Pledgor shall execute and deliver to the Secured Party all financing statements, continuation financing statements, termination statements, assignments, certificates and documents of title, affidavits, exhibits, schedules of account, letters of authority, further pledges, powers of attorney and all other documents (collectively, the "Security Documents") which the Secured Party may reasonably request, in form reasonably satisfactory to the Secured Party and take such other action with the Secured Party may request, to perfect and to continue to perfect and to create and maintain the first priority status of the Secured Party's security interest in the Pledged Collateral. The Pledgor hereby irrevocably makes, constitutes and appoints the Secured Party (and any of the Secured Party's officers or employees or agents designated by the Secured Party) as the Pledgor's true and lawful attorney with power to sign the name of such Pledgor on all or any of the Security Documents which the Secured Party determines must be executed, filed, recorded or sent in order to perfect or continue perfected the Secured Party's security interest in the Pledged Collateral. Such power, being coupled with an interest, is irrevocable until all of the Secured Obligations have been indefeasibly in full paid and the commitments have terminated.

### Representations and Warranties.

The Pledgor hereby represents and warrants to the Secured Party as follows:

(a) It has, and will continue to have (or, in the case of after-acquired Pledged Collateral at the time it acquires rights in such Pledged Collateral, will have), title to the Pledged Collateral free and clear of all liens.

(b) To the knowledge of the Pledgor, the Shares constituting the Pledged Collateral have been duly authorized and validly issued to the Pledgor (as set forth on Schedule A) and are fully paid and nonassessable.

(c) To the knowledge of the Pledgor, the security interests in the Pledged Collateral granted hereunder are valid, perfected and of first priority.



(d) There are no restrictions upon the transfer of the Pledged Collateral and the power and authority and right to transfer the Pledged Collateral owned by it free of encumbrances and without obtaining the consent of any other Person.

(e) It has all necessary power to execute, deliver and perform this Agreement.

(f) There are no actions, suits, or proceedings pending or, to the best of its knowledge after due inquiry, threatened against or affecting it with respect to the Pledged Collateral in law or in equity or before or by any official body, and it is not in default with respect to any judgment, writ, injunction, decree, rule or regulation which could adversely affect the performance hereunder.

(g) This Agreement has been duly executed and delivered and constitutes the legally binding obligation of it, enforceable in accordance with its terms, except to the extent the enforceability of this Agreement may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting the enforceability of creditors' rights or limiting the right of specific performance.

(h) Neither the execution and delivery of this Agreement by Pledgor, nor its compliance with the terms and provisions hereof, will violate any provision of any law or conflict with or constitute a breach of any of the terms, conditions or provisions of any judgment, order, decree or ruling of any official body to which it is subject or any provision of any agreement, understanding or arrangement to which it is a party or by which it is bound.

(i) No event of default or any event that would constitute an event of default under any existing debt or other credit facility of the Pledgor.

(j) Except as set forth on Schedule 4(j), the Pledgor has no debt, other than trade and customary accounts payable and other debts incurred in the ordinary course of business.

(k) The Pledgor's address is as set forth on the signature page attached hereto.

#### General Covenants.

In addition to any covenants and agreements of the Pledgor set forth in the Note, and incorporated herein by this reference, the Pledgor hereby covenants and agrees as follows:

(a) It shall do all reasonable acts that may be necessary and appropriate to preserve and protect the Pledged Collateral; and shall be responsible for the risk of loss, damage to or destruction of the Pledged Collateral, unless such loss is the result of the gross negligence or willful misconduct of the Secured Party. It shall notify the Secured Party in writing 10 days prior to any change in Pledgor's address.

(b) It shall appear in and defend any action or proceeding of which it is aware or which reasonably be expected to affect its title to, or the Secured Party's interest in, the

Collateral owned by it and the proceeds thereof; provided, however, that it may settle any proceedings with respect to the Pledged Collateral it owns with the consent of the Secured Party, which consent shall not be unreasonably withheld or delayed.

(c) It shall keep separate, accurate and complete records of the Pledged Collateral owned by it, disclosing the Secured Party's security interest hereunder.

(d) It shall comply with all laws applicable to the Pledged Collateral unless compliance would not individually or in the aggregate materially impair the use or value of the Pledged Collateral or the Secured Party's rights hereunder.

(e) It shall pay any and all taxes, duties, fees or imposts of any nature imposed by any federal or local authority on any of the Pledged Collateral, except to the extent such taxes, duties, fees or imposts are paid in good faith by appropriate proceedings.

(f) It shall permit the Secured Party, its officers, employees and agents at reasonable times to inspect all books and records related to the Pledged Collateral.

(g) To the extent, following the date hereof, it acquires any of the rights, interests or securities described in the definition of Pledged Collateral, such stock, rights, interests or securities shall be, upon such acquisition, pledged to the Secured Party, and it shall promptly update Schedule A hereto to the Secured Party.

(h) During the term of this Agreement, it shall not sell, assign, transfer or otherwise dispose of the Pledged Collateral.

#### Other Rights With Respect to Pledged Collateral.

In addition to the other rights with respect to the Pledged Collateral granted to the Secured Party hereunder, at any time and from time to time, after and during the continuation of the term of the Note, or upon the occurrence of an Event of Default (as defined in the Note), the Secured Party, at its option and at the expense of the Pledgor, may (a) transfer into its own name, or into the name of its nominee, such amount of Pledged Collateral equal to such Secured Obligations or any part of the Pledged Collateral, (b) receive all dividends, income or other distributions upon the Pledged Collateral; (c) exercise control of, vote and manage such amount of the Pledge Collateral equal to such Secured Obligations or any of the Pledged Collateral; (d) apply to the payment of any of the Secured Obligations, whether any be due and payable or not, any moneys, including dividends and distributions from any Pledged Collateral, now or hereafter in the hands of the Secured Party or any affiliate of the Secured Party, on deposit or otherwise, belonging to the Pledgor, as the Secured Party, in its sole discretion, shall determine; and (e) do anything which the Pledgor is obligated to do hereunder.

#### Additional Remedies Upon Event of Default.

Upon the occurrence of any Event of Default and while such Event of Default is continuing, the Secured Party shall have, in addition to all rights and remedies of a

Secured Party under the Code or other applicable law, and in addition to its rights under Section 6 of the Note, the following rights and remedies:

(a) The Secured Party may, after ten (10) days advance notice to the Pledgor, sell, assign, give an option or options to purchase or otherwise dispose such amount of the Pledge Collateral equal to such Secured Obligations or any part thereof at public or private sale, at any of the Secured Party's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Secured Party may deem commercially reasonable. The Pledgor agrees to give ten (10) days advance notice of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Secured Party 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 held at the time and place to which it was so adjourned. The Pledgor recognizes that the Secured Party may be compelled to resort to one or more private sales of the Pledged Collateral to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof.

(b) The proceeds of any collection, sale or other disposition of such amount of Pledge Collateral equal to such Secured Obligations, or any part thereof, shall, after the Secured Party has made all deductions of expenses, including, but not limited to, reasonable attorneys' fees and other expenses incurred in connection with repossession, collection, sale or disposition of such Pledged Collateral or in connection with the enforcement of the Secured Party's rights with respect to the Pledged Collateral in any insolvency, bankruptcy or reorganization proceedings, be applied against the Secured Obligations, whether or not all the amounts then due and payable, as follows:

(i) first, to the Secured Obligations and to reimburse the Secured Party for reasonable out-of-pocket costs, expenses and disbursements, including, without limitation, reasonable attorneys' fees and legal expenses, incurred by the Secured Party in connection with realizing on the Pledged Collateral or collection of any obligation of such Pledgor under any of the Transaction Documents (as defined in the Securities Purchase Agreement), including expenses made subsequent to an Event of Default by the Secured Party for the reasonable maintenance, preservation, protection or enforcement of, or realization upon, the Pledged Collateral including, without limitation, advances for taxes, insurance, repairs, and the like, and reasonable expenses incurred to sell or otherwise realize on, or prepare for sale of or other realization on, any of the Pledged Collateral, in such order as the Secured Party may determine in its discretion; and

(ii) the balance of such Pledged Collateral or any proceeds thereof, if any, to be returned to the Pledgor as soon as practicable, or as may otherwise be required by law.

#### Secured Party's Duties.

The powers conferred on the Secured Party hereunder are solely to protect its interest in the Pledged Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Pledged Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to the Pledged Collateral or as to the taking of any necessary steps to preserve rights against prior or subsequent claims or any other rights pertaining to any Pledged Collateral.

#### No Waiver; Cumulative Remedies.

No failure to exercise, and no delay in exercising, on the part of the Secured Party, of any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any further exercise thereof or the exercise of any other right, power or privilege. The remedies herein provided are cumulative and not exclusive of any remedies provided under the Note or by law. The Pledgor waives any right to require the Secured Party to proceed against any other person or to exhaust any of the Pledged Collateral or other security for the Secured Obligations or to pursue any remedy in the Secured Party's power.

#### Assignment.

All rights of the Secured Party under this Agreement shall inure to the benefit of, and be binding upon, its successors and assigns. All obligations of the Pledgor shall bind its successors and assigns; provided, however, the Pledgor may not assign or transfer any of its rights and obligations hereunder or any interest herein.

#### Severability.

Any provision of this Agreement which shall be held invalid or unenforceable shall be ineffective without invalidating the remaining provisions hereof.

#### Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York without regard to its conflicts of law principles, except to the extent the validity or perfection of the security interests or the remedies hereunder in respect of the Pledged Collateral are governed by the law of a jurisdiction other than the State of New York.

#### Notices.

All notices, requests, demands, directions and other communications (collectively, "Notices") given to or made upon any party hereto under the provisions of this Agreement shall be deemed to have been made pursuant to the information provided on the signature page attached hereto. All Notices and communications shall be effective upon receipt.

### Specific Performance.

The Pledgor acknowledges and agrees that, in addition to the other rights of the Secured Party hereunder and under the Note, because the Secured Party's remedies at law for non-compliance by the Pledgor to comply with the provisions hereof relating to the Secured Party's rights to inspect the books and records related to the Pledged Collateral, (ii) to receive the various documents the Pledgor is required to deliver hereunder, (iii) to obtain copies of agreements and instruments as provided herein with respect to the Pledged Collateral, (iv) to enforce the provisions hereof pursuant to which the Pledgor has appointed the Secured Party as its attorney-in-fact and (v) to enforce the Secured Party's remedies hereunder, would be inadequate and that any such failure would not be adequately compensable in damages, the Pledgor agrees that each provision hereof may be specifically enforced. The Secured Party acknowledges and agrees that because the Pledgor's remedies at law for the failure of the Secured Party to comply with the provisions hereof relating to the transfer of the Pledged Collateral by the Secured Party to the Pledgor upon payment in full of the Secured Obligations would be inadequate and that any such failure would not be adequately compensable in damages, the Secured Party agrees that each provision hereof may be specifically enforced.

### 14. Voting Rights in Respect of the Pledged Collateral.

So long as no Event of Default shall occur and be continuing under the Note, the Pledgor may exercise any and all voting and other consensual rights pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement.

### 15. Entire Agreement; Amendments.

This Agreement and the other Transaction Documents constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements relating to a grant of a security interest in the Pledged Collateral by the Pledgor. This Agreement may not be amended or supplemented except by a writing signed by the Secured Party and the Pledgor.

### 16. Counterparts.

This Agreement may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so executed shall be deemed an original and all of which taken together shall constitute but one and the same agreement.

### 17. Descriptive Headings.

The descriptive headings which are used in this Agreement are for the convenience of the parties only and shall not affect the meaning of any provision of this Agreement.

Accession to Agreement.

Any person or entity who becomes a party to the Securities Purchase Agreement as an Additional Purchaser (as defined therein) shall become a party to this Agreement by executing a counterpart signature page hereto, whereupon such person shall become a Secured Party under this Agreement for all purposes hereunder as if such person had been an original

[SIGNATURE PAGE FOLLOWS]

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

## PLEDGOR:

MEDIA FUSION HOLDINGS, INC.  
F/K/A MFH MEDIA, INC.

By: 

Name:

Title:

## SECURED PARTY:

Robert R. Detore

Michael Kinkead

8 PM

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly  
signed and sealed on the date first above written.

PLEDGOR:

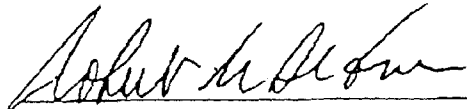
MEDIA FUSION HOLDINGS, INC.  
F/K/A MFH MEDIA, INC.

By: \_\_\_\_\_

Name:

Title:

SECURED PARTY:



Robert R. Detore



Michael Kinkad



## ACKNOWLEDGMENT AND CONSENT

The undersigned, the issuer of the capital stock referred to in the foregoing Stock Pledge Agreement, hereby acknowledges receipt of a copy thereof and agree to be bound thereby and to comply with the terms thereof insofar as such terms are applicable to it. The undersigned agree to notify the Secured Party promptly in writing of the occurrence of any Event of Default under the Stock Pledge Agreement.

MEDIA FUSION, INC.

By: 

Name:

Title:

SCHEDULE A  
TO  
STOCK PLEDGE AGREEMENT

Description of Pledged Collateral

Stock Certificate No.

Type and Amount  
of Ownership

100 shares of common stock  
of Media Fusion, Inc.

## SECURITY AGREEMENT

This SECURITY AGREEMENT, dated as of October 16, 2000 (this "Security Agreement"), is made by and among MEDIA FUSION, INC., a Delaware corporation (the "Borrower") and ROBERT R. DETORE and MICHAEL KINKEAD (collectively, the "Secured Party").

### PRELIMINARY STATEMENTS.

1. Reference is made to that certain Secured Promissory Note of even date herewith made by the Borrower in favor of the Secured Party in a principal amount of \$1,000,000 (as modified and supplemented and in effect from time to time, the "Note"). The terms used in this Security Agreement and not otherwise defined herein shall have the meanings set forth in the Note.

2. It is a condition precedent to the obligation of the Secured Party to purchase the Note from the Borrower that the Borrower shall have granted the security interest contemplated by this Security Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Secured Party to purchase the Note from the Borrower, the Borrower hereby agrees as follows:

Section 1. Grant of Security. The Borrower hereby grants to Secured Party a security interest in all of the Borrower's right, title and interest in the property and assets of the Borrower, whether real or intangible, including, without limitation, all inventions, trade secrets, copyrights, trademarks, works, files, good will, reports, designs, programs, compilations, documentation, manuals and visual aids (collectively, all such property is referred to as the "Collateral") and all enhancements, modifications, derivative works thereto and all proceeds of any and all of the foregoing Collateral.

Section 2. Security for Obligations. The Collateral secures the prompt and complete payment when due of (i) the outstanding principal and interest on the Note, and (ii) all other obligations of the Borrower under the Note and the Securities Purchase Agreement (collectively, the "Secured Obligations").

Section 3. Borrower Remains Liable. Anything herein to the contrary notwithstanding, the Secured Party shall not have any obligation or liability, nor shall the Secured Party be obligated to perform any of the obligations or duties of the Borrower by reason of the security interest granted to the Secured Party as contemplated by this Security Agreement.

Section 4. Representations and Warranties. Borrower represents and warrants to the Secured Party as follows:

(a) The chief place of business and chief executive offices of the Borrower are at the address(es) specified on Schedule I(a) hereto.

(b) The Collateral constituting tangible personal property is located at, and at the time this Security Agreement remains in effect shall be located at, the address(es) as set forth on Schedule I(b) hereto.

(c) The Borrower owns its rights in the Collateral free and clear of any lien, mortgage, security interest, license, right of first refusal or other restriction except for the security interest created by this Security Agreement. No effective financing statement or other instrument covering all or any part of the Collateral is on file in any recording office, except for the statements filed in favor of the Secured Party relating to this Security Agreement.

(d) The Borrower conducts no business under any name or trade name other than its corporate name.

(e) This Security Agreement creates a valid first priority lien in the Collateral, for the payment of the Secured Obligations. All other actions necessary or desirable to perfect the security interest have been duly taken.

(f) Except as set forth on Schedule 4(f) hereto, no authorization, approval or ratification, and no notice to or filing with, any governmental authority is required for the granting of the security interest granted hereby or for the execution, delivery or performance of this Security Agreement by the Borrower.

(g) Except as set forth in Schedule 4(g) hereto: (i) the Borrower has received no notice and has no knowledge of any basis for, a claim against it that the Collateral infringes any patent, trademark, trade name, copyright or other property right of a third party, or that it is illegally or otherwise using the trade secrets, formulae or any property rights of a third party; (ii) the Borrower (A) has no disputes with or claims against any third party for infringement by such third party of any trade name or other intangible property of the Borrower which inure to the Collateral, and (B) is not obligated or under any liability whatsoever to make payments by way of royalties, fees or otherwise to any owner or licensee of, or other claimant in, any patent, trademark, trade name, copyright or other property right, with respect to the use of the same in connection with the Collateral; (iii) no employee or consultant has rights to the Collateral; and (iv) the Borrower has taken all steps reasonably necessary to protect its rights, title and interest in and to the Collateral.

#### Section 5. Further Assurances.

(a) The Borrower agrees that from time to time, at the expense of the Borrower, the Borrower will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Secured Party may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies with respect to any Collateral. Without limiting the generality of the foregoing, the Borrower shall execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Secured Party may reasonably request, in order to perfect and preserve the security interest granted or

be granted hereby. In addition, the Borrower shall execute and file at the Secured Party's office any instruments or notices required to be filed at the United States Patent and Trademark Office to perfect and protect any security interest granted or purported to be granted hereunder. The Borrower agrees to give the Secured Party notice of any new intellectual property rights in the Collateral.

(b) The Borrower hereby authorizes the Secured Party to file one or more continuation statements, and amendments thereto pursuant to the Uniform Patent Classification Code, relative to all or any part of the Collateral without the signature of the Borrower where permitted by law. A carbon, photographic or other reproduction of this Security Agreement, as executed by all parties, or any financing statement covering the Collateral or any other document shall be sufficient as a financing statement where permitted by law.

(c) The Borrower shall immediately notify the Secured Party, by written notice, any time any material portion of the Collateral shall be moved or transferred from, or otherwise located at, the address(es) as specified on Schedule I(b) hereto.

(d) The Borrower shall defend the Collateral against all claims and demands of third parties (other than the Secured Party) claiming an interest therein. The Borrower shall pay when due all property and other taxes, assessments and governmental charges or levies on the Collateral, and all claims against, the Collateral, except to the extent that there is a good faith belief in the validity thereof.

Section 6. Transfer and Other Liens. The Borrower shall not:

(a) Except as set forth on Schedule 6(a) hereto, sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral, except in the ordinary course of business, provided the Borrower may enter into reasonable and customary agreements with third parties which do not affect the Borrower's ownership of the Collateral or grant licenses therein.

(b) Create or suffer to exist any lien upon or with respect to any of the Collateral to secure debt of any Person.

Section 7. Secured Party Appointed Attorney-in-Fact. The Borrower hereby appoints the Secured Party as Borrower's attorney-in-fact, with full authority in the name of the Borrower and in the name of the Borrower, Secured Party or otherwise, before and after the occurrence and during the continuance of an Event of Default (as defined in the Note), to execute any instrument which the Secured Party may deem necessary or appropriate to accomplish the purposes of this Security Agreement, including, without limitation:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give receipts and receipts for moneys due and to become due under or in respect of any of the Collateral;

(b) to receive, endorse, assign, and collect any and all checks, notes, drafts and other negotiable and non-negotiable instruments, documents and chattel paper, in connection

with clause (a) above, and the Borrower waives notice of presentment, protest and non-payment of any instrument, document or chattel paper so endorsed or assigned;

(c) to file any claims or take any action or institute any proceedings which the Secured Party may deem reasonably necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral; and

(d) to sell, transfer, assign or otherwise deal in or with the Collateral or the proceeds or avails thereof, as full and effectually as if Secured Party were the absolute owner thereof.

The Borrower hereby ratifies and approves all acts, other than those which result from the Secured Party's gross negligence or willful misconduct, of the Secured Party, or a breach of the Secured Party's obligations under this Security Agreement or the Note, as its attorney in-fact, pursuant to this Section 7, and agrees that the Secured Party, as its attorney in-fact, will not be liable for any acts of commission or omission, nor for any error of judgment or mistake of fact or law other than those which result from the Secured Party's gross negligence, willful misconduct or a breach of the Secured Party's obligations under this Security Agreement or the Note. This power, being coupled with an interest, is irrevocable so long as this Security Agreement remains in effect.

Anything contained herein to the contrary notwithstanding, the Secured Party shall have no authority as the Borrower's attorney-in-fact or otherwise hereunder to sell, transfer, assign or otherwise deal in or with any of the collateral secured under the Intellectual Property Security Agreement or the Stock Pledge Agreement other than pursuant to its rights as a secured creditor under Article 9 of the Uniform Commercial Code.

Section 8. Secured Party May Perform. If the Borrower fails to perform any agreement contained herein, the Secured Party may itself perform, or cause performance of, such agreement.

Section 9. Secured Party's Duties. The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except as set forth below and for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall not have any duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

Section 10. Remedies. If any Event of Default (as defined in the Note) shall have occurred:

(a) The Secured Party may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code (the "Code").

(b) All cash proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Secured Party, be held by the Secured Party as collateral for, and/or then or at any time applied in whole or in part by the Secured Party against, all or any part of Secured Obligations in such order as the Secured Party shall elect. Any surplus of such cash or cash proceeds received from any source or held by the Secured Party and remaining after payment in full of the Secured Obligations to the Secured Party shall be paid over to the Borrower.

Section 11. Expenses. The Borrower shall upon demand pay to the Secured Party the amount of any and all expenses which the Secured Party may incur in connection with the preparation or recording fees incurred in connection with this Security Agreement or (2) the preservation, use or operation of, or the sale of, collection from, or other realization of the Collateral.

Section 12. Amendments; Etc. No amendment or waiver of any provision of this Security Agreement or consent to any departure by the Borrower herefrom shall in any event be effective unless the same shall be in writing and signed by the Secured Party, and then such consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 13. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be (i) mailed by registered or certified mail, return receipt prepaid, (ii) delivered by reliable overnight courier service, or (iii) otherwise delivered by hand or by messenger, addressed (A) if to the Secured Party, to c/o Robert R. Detore, 25 Princeton Avenue, Suite 305, Verona, New Jersey 07044-2915, or at such other address as the Secured Party shall have furnished to the Borrower in writing, with a copy to Buchanan Ingersoll & Ronald Corporation, 650 College Road East, Princeton, New Jersey 08540, Attn: John F. Buchanan, Esq., or (B) if to the Borrower, to c/o Media Fusion, Inc., Providence Towers, 5001 Spring Valley, Suite 1135E, Dallas, Texas 75244, Attn: Jonn Randel, or at such other address as the Borrower shall have furnished to the Secured Party in writing, with a copy to Beckman, Gilman and Sanders, 116 John Street, Suite 1313, New York, New York, 10038, Attn: Michael Beckman, Esq. All such notices and communications shall be effective upon receipt.

Section 14. Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall (1) remain in full force and effect until payment in full of the Secured Obligations, (2) be binding upon the Borrower, its permitted successors and assigns, and (3) inure to the benefit of the Secured Party and its permitted successors, transferees and assigns. Upon the payment in full of the Secured Obligations, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to the Borrower. Upon any such termination, Secured Party shall, at the Borrower's expense, promptly execute and deliver to the Borrower such documents as the Borrower may reasonably request to effect such termination.

Section 15. Governing Law; Terms. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE VALIDITY OR

PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK. Unless otherwise defined herein or in the Note, terms used in Article 9 of the Code in the State of New York are used herein as therein defined.

Section 16. Miscellaneous. This Security Agreement is in addition to and not in limitation of any other rights and remedies the Secured Party may have by virtue of any other document executed by the Borrower or by law or otherwise. If any provision of this Security Agreement is contrary to applicable law or general principles of equity, such provision shall be deemed ineffective without invalidating the remaining provisions hereof. The Secured Party shall not by any delay or omission be deemed to have waived any of its rights or remedies hereunder. A waiver by the Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to or waiver of any such right or remedy which the Secured Party would have had on any future occasion nor shall the Secured Party be liable for exercising or failing to exercise any such right or remedy.

Section 17. Accession to Agreement. Any person or entity who becomes a party to the Securities Purchase Agreement as an Additional Purchaser (as defined therein) shall become a party to this Agreement by executing a counterpart signature page hereto, whereupon such person shall become a party to this Agreement for all purposes hereunder as if such person had been an original signatory.

[SIGNATURE PAGE FOLLOWS]



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

**BORROWER:****MEDIA FUSION, INC.**By: *EGB*Name: *Edwin G. Blair*Title: *CEO***SECURED PARTY:**Robert R. DetoreMichael Kinkead

SCHEDULE I  
to Security Agreement

Place of Business (Chief Place of Business and Chief Executive Office):

Patience Towers  
111 Spring Valley  
Suite 135E  
Houston, Texas 75244

Location of Collateral

Patience Towers  
111 Spring Valley  
Suite 135E  
Houston, Texas 75244

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (the "IP SECURITY AGREEMENT"), dated as of October 1, 2000 (the "EFFECTIVE DATE") is made between MEDIA FUSION, INC., f/k/a MFH ACQUISITION CORP., a corporation organized under the laws of the State of Delaware and having a place of business at 11111 West Tower, 5001 Spring Valley, Suite 1135-E, Dallas, Texas 75244 ("GRANTOR") and the holder of a secured promissory note as further described below, ROBERT R. [REDACTED], MICHAEL KINKEAD and each person who becomes an "Additional Purchaser" under the terms of the Securities Purchase Agreement as defined below (collectively, the "ASSIGNOR"), and LENDER's heirs, successors, assignees and/or successors.

### WITNESSETH:

WHEREAS, pursuant to the Secured Promissory Note by and between the ASSIGNOR and the GRANTOR of even date herewith (together with any additional note as provided in the Securities Purchase Agreement as defined below, the "NOTE"), the LENDER has agreed to make a loan to the GRANTOR upon the terms and subject to the conditions set forth in the NOTE; and

WHEREAS, ASSIGNOR and LENDER have executed a Securities Purchase Agreement of even date herewith (the "SECURITIES PURCHASE AGREEMENT"); and

WHEREAS, ASSIGNOR and LENDER have executed a Security Agreement of even date herewith (the "SECURITY AGREEMENT"); and

WHEREAS, it is a condition precedent to the obligation of the LENDER to make a loan to the GRANTOR that the GRANTOR shall have executed and delivered this IP SECURITY AGREEMENT to the LENDER;

NOW, THEREFORE, in consideration of the premises set forth above and to induce the LENDER and the GRANTOR to enter into this IP SECURITY AGREEMENT, and to induce the LENDER to make a loan to the GRANTOR, the GRANTOR hereby agrees to the LENDER, as follows:

1. Security Agreement. The ASSIGNOR does hereby further acknowledge and affirm that the rights and remedies of the LENDER are more fully set forth in the SECURITY AGREEMENT, the terms and provisions of which are hereby incorporated by reference as if fully set forth herein.

2. IP Security Interest. As collateral security for the prompt and complete payment of the outstanding principal and interest on the NOTE and performance of all other obligations of the GRANTOR under the NOTE and the SECURITIES PURCHASE AGREEMENT, the GRANTOR hereby grants to the LENDER, a security interest in all of the following intellectual property now owned or at any time hereafter acquired by the

or in which the GRANTOR now has or at any time in the future may acquire any interest (collectively, the "INTELLECTUAL PROPERTY COLLATERAL"):

(a) the trademark MEDIA FUSION, including the pending application for said mark which is the subject of U.S. Serial No. 75/718697, any design, any representation or representation of said mark, as well as all of the goodwill symbolized by said mark associated therewith; and

(b) United States Patent No. 5,982,276, entitled "Magnetic Field Based Power Transmission Communication Method and System," issued on November 9, 1999, including (i) all inventions and improvements described and claimed therein, (ii) the right to sue or otherwise recover payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past and future infringement thereof), and (iii) all reissues, re-examinations, divisions, continuations, continuations-in-part, substitutes, renewals, and extensions thereof, all improvements thereon and all other rights of the GRANTOR accruing thereunder or pertaining thereto.

(c) pending Patent Cooperation Treaty Patent Application No. PCT/US99/09913, "Magnetic Field Based Power Transmission Communication Method and System," filed on May 7, 1999, including (i) all inventions and improvements described and claimed therein, (ii) the right to sue or otherwise recover payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past and future infringement thereof), and (iii) all reissues, re-examinations, divisions, continuations, continuations-in-part, substitutes, renewals, and extensions thereof, all improvements thereon and all other rights of the GRANTOR accruing thereunder or pertaining thereto.

3. IP Security Agreement. This IP SECURITY AGREEMENT has been executed and delivered by the GRANTOR for the purpose of recording the security interest of the LENDER in the INTELLECTUAL PROPERTY COLLATERAL with the United States Patent and Trademark Office.

4. Termination of Agreement. This IP SECURITY AGREEMENT and obligations hereunder shall terminate upon payment in full of the outstanding principal and interest on the NOTE and performance of all other obligations of the GRANTOR under the NOTE and the SECURITIES PURCHASE AGREEMENT. Upon such termination of this IP SECURITY AGREEMENT, the LENDER shall take such actions as reasonably may be required to release and discharge its security interest in the INTELLECTUAL PROPERTY COLLATERAL and to reconvey all right, title or interest in said INTELLECTUAL PROPERTY COLLATERAL to the GRANTOR.

042-001

5. Warranties and Representations.

(a) GRANTOR warrants to the best of its knowledge that as of the EFFECTIVE DATE it has the right, title, and interest in the INTELLECTUAL PROPERTY described hereunder and that it has full power and authority to execute, deliver, and perform this IP SECURITY AGREEMENT and the obligations hereunder.

(b) LENDER expressly represents and warrants that it has the full power and authority to enter into this IP SECURITY AGREEMENT and to carry out the obligations contemplated hereby.

6. Entire Agreement. This IP SECURITY AGREEMENT constitutes the entire agreement and understanding between the parties as to the legal undertakings hereunder. All prior negotiations, representations, agreements, contracts, offers, and earlier understandings of whatsoever kind, whether written or oral, between GRANTOR and LENDER with respect to this agreement are superseded by, merged into, extinguished by, and completely expressed by this IP SECURITY AGREEMENT.

8. Modification. No aspect, part, or wording of this IP SECURITY AGREEMENT may be modified except by mutual agreement between GRANTOR and LENDER taking the form of an instrument in writing signed and dated by duly authorized representatives of both GRANTOR and LENDER.

9. Notices. All communications, reports, payments and notices required under this IP SECURITY AGREEMENT by one party to the other shall be addressed to the parties at their respective addresses set forth below or to such other address as requested by either party by notice in writing to the other.

GRANTOR to: Media Fusion, Inc.  
Providence Towers  
5001 Spring Valley, Suite 1135-E  
Dallas, Texas 75244  
Attn: John Randel  
Telecopier: (972) 458-1978

copy to: Kaplan Gottbetter & Levenson  
630 Third Avenue  
New York, New York 10022  
Attn: Adam S. Gottbetter, Esq.  
Telecopier: (212) 983-9210

- and -

Beckman, Millman & Sanders

0642-001

116 John Street, Suite 1313  
New York, New York 10038  
Attn: Michael Beckman, Esq.  
Telecopier: (212) 406-3750

SENDER to: Robert R. Detore  
25 Pompton Avenue  
Suite 305  
Verona, New Jersey 07044-2915  
Telecopier: (973) 571-9747

copy to: Buchanan Ingersoll, P.C.  
650 College Road East  
Princeton, New Jersey 08540  
Attn: John F. Cinque, Esq.  
Telephone: (609) 987-6833  
Telecopier: (609) 520-0360

All notices, reports, payments, and communications shall be made in writing by telefax at the numbers set forth above or by First Class mail, postage prepaid, and shall be considered delivered on the date of deposit with the United States Post Office or when received by telefax.

10. Severability. Should any part or provision of this IP SECURITY AGREEMENT be held unenforceable or in conflict with the law of any jurisdiction, the enforceability of the remaining part or provisions shall not be affected by such holdings; provided that the parties shall use their best efforts to negotiate an enforceable provision that most closely reflects the parties' original intentions.

11. Governing Law. All matters affecting the interpretation, validity, and enforceability of this IP SECURITY AGREEMENT, shall be governed by the internal laws of the State of New York.

*[SIGNATURE PAGE FOLLOWS]*

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MEDIA FUSION

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PAGE 02

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IN WITNESS WHEREOF, each of the undersigned has caused this IP SECURITY  
AGREEMENT to be duly executed and delivered as of the date first above written.

Media Fusion, Inc.  
(ASSIGNOR)

LENDER

Robert R. Detore

Michael Kinkad

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IN WITNESS WHEREOF, each of the undersigned has caused this IP SECURITY  
to be duly executed and delivered as of the date first above written.

Inc.

LENDER

✓ Robert R. Detore

✓ Michael Kinkead

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PM

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PAGE.05  
\*\* TOTAL PAGE 05 \*\*  
TOTAL P.06  
PAGE.05

PATENT

REEL: 012735 FRAME: 0846



## GUARANTY

This GUARANTY (this "Guaranty"), dated as of October 16, 2000, by MEDIA FUSION HOLDINGS, INC., f/k/a MFH MEDIA, INC., a corporation organized and existing under the laws of the State of Delaware (the "Guarantor"), to and for the benefit of, ROBERT R. DETORE and MICHAEL KINKEAD and such other persons that become Additional Purchasers (as defined in that certain Securities Purchase Agreement executed as of the date hereof) (collectively, the "Purchasers").

## WITNESSETH

WHEREAS, pursuant to the Securities Purchase Agreement dated as of the date hereof by and among Media Fusion, Inc., a Delaware corporation and a wholly-owned subsidiary of the Guarantor (the "Issuer"), the Guarantor and the Purchasers (the "Securities Purchase Agreement"), the Purchasers have purchased the Note (as defined in the Securities Purchase Agreement); and

WHEREAS, the Securities Purchase Agreement requires as a condition precedent to the Purchasers' purchase of the Note that the Issuer's obligations thereunder be guaranteed by the Guarantor as set forth herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor agrees as follows:

1. In the event that the Issuer fails to duly and properly to perform and satisfy its obligations under the Securities Purchase Agreement, the Note and/or the Security Agreement (collectively, the "Loan Documents") in accordance with the terms and conditions thereof, the Guarantor will, upon written demand of the Purchasers setting forth the specific failure of the Issuer, perform and satisfy those obligations of the Issuer set forth in such written demand in accordance with the terms and conditions of the Loan Documents. All such notices shall be addressed to the Guarantor as follows:

Media Fusion Holdings, Inc.  
Providence Towers  
5001 Spring Valley  
Suite 1135E  
Dallas, Texas 75244  
Attention: Jonn Randel  
Telecopier: (972) 458-1978

with a copy to:

Beckman, Millman & Sanders  
116 John Street  
Suite 1313  
New York, New York 10038  
Attention: Michael Beckman, Esq.  
Telecopier: (212) 406-3750

and shall be deemed to have been received on the same date of delivery by certified registered mail return receipt requested, reliable overnight courier service or of actual (personal) delivery. It shall not be necessary to the enforcement of any of the obligations of the Guarantor hereunder that any rights or remedies of the Purchasers first be pursued against the Issuer, except as specifically set forth in the Loan Documents.

2. The obligations of the Guarantor under this Guaranty (i) shall be absolute, irrevocable and unconditional under any and all circumstances without regard to the genuineness, validity, legality or enforceability of the Loan Documents (unless the Purchasers, their successors or assigns assert any claim or defense based on any alleged invalidity, illegality or unenforceability of the Loan Documents or any term thereof) or of any term thereof, or lack of power or authority of any party (other than the Purchasers) to enter into the Loan Documents, and, with the exception of any defenses available or reserved to the Guarantor pursuant to this Guaranty, irrespective of any other circumstances which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, which discharge and defenses are hereby waived by Guarantor; (ii) are in no way conditioned upon any attempt to enforce performance of or compliance with the Loan Documents by or against the Issuer; (iii) shall remain in full force and effect until performance by the Issuer of all of its performance and payment obligations which Guarantor guarantees performance of pursuant to this Guaranty; and (iv) shall not be affected or impaired by any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of the Issuer or any defense which the Issuer may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding. Anything contained in this Agreement to the contrary notwithstanding, the Purchasers shall have no rights under this Guaranty to proceed against or otherwise with respect to any of the shares of common stock of Guarantor issued by Guarantor to Media Fusion, LLC (now known as MF Technologies, LLC) ("LLC"), as the same are held by LLC, pledged by LLC to Guarantor or subsequently transferred.

3. If a demand is made upon the Guarantor, as provided in Paragraph 1 above, and the Guarantor duly and properly performs the obligations of the Issuer set forth in such demand, then the Purchasers shall suspend the pursuit of any remedy against the Issuer relating to or arising out of

the occurrence of such failure to perform by the Issuer and the Guarantor shall be subrogated to any and all rights of the Purchasers against the Issuer.

4. The Guarantor hereby represents and warrants to the Purchasers that (i) the Guarantor is a corporation duly organized and existing in good standing under the laws of the State of Delaware and has full power and authority to make and deliver this Guaranty; (ii) the execution, delivery and performance of this Guaranty by the Guarantor have been duly authorized by all necessary corporate action; and (iii) this Guaranty has been duly executed and delivered by the authorized officers of the Guarantor and constitutes a lawful, binding and legally enforceable obligation enforceable in accordance with its terms, except as may be limited by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws of general applicability affecting enforcement of creditors' rights; and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5. Subject to the provisions of Paragraph 7 hereof, this Guaranty shall be binding on the successors and assigns of the Guarantor and is solely for the benefit of the Purchasers and their successors and assigns and shall not be for the benefit of, or enforceable by, any other person or entity.

6. If one or more provisions of this Guaranty should be determined to be illegal or unenforceable, each such provision shall be enforced to the extent permitted by law and all other provisions hereof shall remain in full force and effect.

7. To the extent that all or a portion of Guarantor's obligations under this Guaranty are either (i) otherwise satisfied by the Issuer; or (ii) assumed by one or more guarantors after the date of this Guaranty (hereinafter "Subsequent Guarantors") which Subsequent Guarantors agree to satisfy all or a portion of the Guarantor's obligations under this Guaranty, and after written approval of such Subsequent Guarantors by the Purchasers, which approval shall not be unreasonably withheld or delayed, and delivery of an executed Guaranty to the Purchasers, the Guarantor shall be forever released by the Purchasers from its obligations under this Guaranty to the extent of such Subsequent Guarantor's assumption of the Guarantor's obligations under this Guaranty.

8. This Guaranty may not be modified, amended, terminated or revoked, in whole or in part, except by an agreement in writing signed by the Guarantor and the Purchasers.

9. This Guaranty shall be governed by, interpreted and construed under, and in connection with, the laws of the State of New York, without regard to principles of conflicts of law.

[SIGNATURE PAGE FOLLOWS]

Oct 15 00 08:48p

Edwin G. Blair

(972) 387-8464

p. 6

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty the day and year first above written.

MEDIA FUSION HOLDINGS, INC.  
F/K/A MFH MEDIA, INC.

By: 

Name:

Edwin G. Blair

Title:

CEO

ATTEST:

By: 

Name:

Donna Randall

Title:

Brand Manager

**EXHIBIT C**

**PLEDGED COLLATERAL**

**100 Shares of Restricted Common Stock of Media Fusion, Inc.**

520769-1

**PATENT**  
**REEL: 012735 FRAME: 0851**

**EXHIBIT D**

**FORMS OF AFFIDAVITS AND INDEMNITY AGREEMENTS**

502014-2307161 v1

**PATENT**  
**REEL: 012735 FRAME: 0852**

**AFFIDAVIT OF LOST INSTRUMENT AND INDEMNITY AGREEMENT**

**STATE OF NEW JERSEY       §**  
**§**  
**COUNTY OF ESSEX         §**

BEFORE ME, the undersigned, on this date personally appeared **MICHAEL KINKEAD** known to me to be the person whose name is subscribed to the following Affidavit and who, after being duly sworn by me, stated upon his oath as follows:

1.       My name is Michael Kinkead. I state to my own personal knowledge that on or about October 16, 2000, I, together with Mr. Robert R. Detore, wired funds in the amount of \$275,000 to Media Fusion, Inc. ("MFI"), representing our loan of such amount to MFI. As evidence of such loan, we received from representatives of MFI a photocopy of a promissory noted issued by MFI to Robert R. Detore and Michael Kinkead, dated October 16, 2000, in the original principal amount of \$275,000.00 (the "Instrument"). I further state that I did not receive a manually executed original copy of the Instrument. I further state that after diligent efforts to obtain the original copy of the Instrument, I have been unable to do so. I further state that in the event such Instrument is later located, I will return it promptly to Media Fusion, Inc. to be voided. I know all of the foregoing facts of my own personal knowledge and know the same to be true and correct.

2.       Michael Kinkead hereby covenants and agrees to indemnify, defend, and hold harmless Media Fusion, Inc. from and against any claims, debts, liabilities, causes or action, and expenses (including, without limitation, court costs and reasonably attorneys fees) that may be incurred by Media Fusion, Inc. in the event that another person or entity presents the Instrument to Media Fusion, Inc. and demands payment of the debt represented thereby.

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\_\_\_\_\_  
Michael Kinhead

SUBSCRIBED AND SWORN to before me on the \_\_\_\_ day of \_\_\_\_\_, 2002.

(S E A L)

\_\_\_\_\_  
Notary Public in and for the  
State of New Jersey

My Commission Expires:

\_\_\_\_\_



## AFFIDAVIT OF LOST INSTRUMENT AND INDEMNITY AGREEMENT

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

BEFORE ME, the undersigned, on this date personally appeared **ROBERT R. DETORE** known to me to be the person whose name is subscribed to the following Affidavit and who, after being duly sworn by me, stated upon his oath as follows:

1. My name is Robert R. Detore. I state to my own personal knowledge that on or about October 16, 2000, I, together with Mr. Michael Kinkead, wired funds in the amount of \$275,000 to Media Fusion, Inc. ("MFI"), representing our loan of such amount to MFI. As evidence of such loan, we received from representatives of MFI a photocopy of a promissory noted issued by MFI to Robert R. Detore and Michael Kinkead, dated October 16, 2000, in the original principal amount of \$275,000.00 (the "Instrument"). I further state that I did not receive a manually executed original copy of the Instrument. I further state that after diligent efforts to obtain the original copy of the Instrument, I have been unable to do so. I further state that in the event such Instrument is later located, I will return it promptly to Media Fusion, Inc. to be voided. I know all of the foregoing facts of my own personal knowledge and know the same to be true and correct.

2. Robert R. Detore hereby covenants and agrees to indemnify, defend, and hold harmless Media Fusion, Inc. from and against any claims, debts, liabilities, causes or action, and expenses (including, without limitation, court costs and reasonably attorneys fees) that may be incurred by Media Fusion, Inc. in the event that another person or entity presents the Instrument to Media Fusion, Inc. and demands payment of the debt represented thereby.

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\_\_\_\_\_  
Robert R. Detore

SUBSCRIBED AND SWORN to before me on the \_\_\_\_ day of \_\_\_\_\_, 2002.

(S E A L)

\_\_\_\_\_  
Notary Public in and for the  
State of New Jersey

My Commission Expires:

\_\_\_\_\_