

06-10-2003

301810 V1 S3



102468265

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

1. Name of conveying party(ies):
Inceptor, Inc.
4 Clock Tower Place, Suite 300
Maynard, MA 01754

6-6 UT

2. Name and address of receiving party(ies)

Name: **SI Venture Fund II, L.P.**

Internal Address:

Street Address: **12600 Gateway Blvd.**

City: **Fort Myers** State: **FL** Zip: **33913**

3. Nature of conveyance:

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other **Collateral Assignment and Security Agreement**

Execution Date: **May 27, 2003**

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

09/456,778 09/456,792 09/457,600
09/456,784 09/456,793 US01/13934

B. Patent No.(s)

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: **Barb Villandry**

Internal Address: **Shipman & Goodwin LLP**

06/09/2003 TBI021 00000099 09456778

01 FC:8521 400.00 DP

Street Address: **One American Row**

City: **Hartford** State: **CT** Zip: **06103**

6. Total number of applications and patents involved: **10**

7. Total fee (37 CFR 3.41): \$ **400**

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Christopher R. LaSaracina
Name of Person Signing

Christopher R. LaSaracina
Signature

6/2/03
Date

Total number of pages including cover sheet, attachments, and documents: **25**

Additional Receiving Parties

(2)

Crossbow Venture Partners, L.P.
One North Clematis Street
Suite 510
West Palm Beach, FL 33401-5523

Delaware Limited Partnership

(3)

MI-2 Capital LLC
c/o Mesco Ltd.
470 Main Street, Suite 315
Ridgefield, CT 06877

Delaware Limited Liability Company

Additional Application Numbers

PCT/US99/29150,WO00/34845

09/456,777

09/945,575

09/733754

**PATENT COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

THIS PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (this "Agreement") dated as of May 27, 2003, is entered into by and between INCEPTOR, INC. a Delaware corporation having its principal place of business at 4 Clock Tower Place, Suite 300, Maynard, Massachusetts 01754 (the "Assignor") and EACH OF THE LENDERS LISTED ON SCHEDULE 1 ATTACHED HERETO (collectively, the "Lenders").

WHEREAS, pursuant to that certain Note and Warrant Purchase Agreement of even date herewith among the Assignor, its subsidiaries and the Lenders (the "Purchase Agreement"), the Lenders agreed to advance to the Assignor up to the aggregate principal amount of \$470,000 pursuant to the terms of the Purchase Agreement and those certain convertible promissory notes dated of even date herewith or to be issued in connection with a subsequent closing (the "Notes");

WHEREAS, pursuant to that certain Security Agreement by and between the Lenders and the Assignor of even date herewith (the "Security Agreement"), the Assignor has granted to the Lenders a security interest in all of the Assignor's personal property, including without limitation the patents and patent applications listed on Schedule A attached hereto, all to secure the payment and performance of the Assignor's Secured Obligations (as defined below) under the Notes, the Purchase Agreement and the Put Agreement (as defined below); and

WHEREAS, this Agreement is supplemental to the provisions contained in the Security Agreement; and

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

1. DEFINITIONS.

The following terms shall have the meanings set forth in this §1 or elsewhere in this Agreement as referred to below:

Agreement. This Patent Collateral Assignment and Security Agreement, as amended and in effect from time to time.

Collateral. Shall have the same meaning ascribed to that term in the Security Agreement.

Event of Default. Shall have the same meaning as ascribed to that term in the Security Agreement.

Lenders: For purposes of this Agreement, the term Lenders shall be inclusive of all Holders (as such term is defined in Section 1.4 of the Purchase Agreement) of the Notes.

Patent Collateral. All of the Assignor's right, title and interest in and to all of the Patents, the Patent License Rights, and all other Patent Rights, and all additions, improvements, and accessions to, all substitutions for and replacements of, and all products and Proceeds (including insurance proceeds) of any and all of the foregoing, and all books and records and technical information and data describing or used in connection with any and all such rights, interests, assets or property.

Patent License Rights. Any and all past, present or future rights and interests of the Assignor pursuant to any and all past, present and future licensing agreements in favor of the Assignor, or to which the Assignor is a party, pertaining to any Patents, or Patent Rights, owned or used by third parties in the past, present or future, including the right (but not the obligation) in the name of the Assignor or Lenders to enforce, and sue and recover for, any past, present or future breach or violation of any such agreement.

Patent Rights. Any and all past, present or future rights in, to and associated with the Patents throughout the world, whether arising under federal law, state law, common law, foreign law, or otherwise, including but not limited to the following: all such rights arising out of or associated with the Patents; the right (but not the obligation) to register claims under any federal, state or foreign patent law or regulation; the right (but not the obligation) to sue or bring opposition or bring cancellation proceedings in the name of the Assignor or Lenders for any and all past, present and future infringements of or any other damages or injury to the Patents or the Patent Rights, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, damage or injury; and the Patent License Rights.

Patents. All patents and patent applications, whether United States or foreign, that are owned by the Assignor or in which the Assignor has any right, title or interest, now or in the future, including but not limited to:

- (a) the patents and patent applications listed on Schedule A hereto (as the same may be amended pursuant hereto from time to time);
- (b) all letters patent of the United States or any other country, and all applications for letters patent of the United States or any other country;
- (c) all re-issues, continuations, divisions, continuations-in-part, renewals or extensions thereof;

(d) the inventions disclosed or claimed therein, including the right to make, use, practice and/or sell (or license or otherwise transfer or dispose of) the inventions disclosed or claimed therein; and

(e) the right (but not the obligation) to make and prosecute applications for such Patents.

Proceeds. Any consideration received from the sale, exchange, license, lease or other disposition or transfer of any right, interest, asset or property which constitutes all or any part of the Patent Collateral, any value received as a consequence of the ownership, possession, use or practice of any Patent Collateral, and any payment received from any insurer or other person or entity as a result of the destruction or the loss, theft or other involuntary conversion of whatever nature of any right, interest, asset or property which constitutes all or any part of the Patent Collateral.

PTO. The United States Patent and Trademark Office.

Put Agreement. That certain Put Agreement of even date herewith between the Assignor and the Lenders.

Secured Obligations. Shall have the same meaning as ascribed to that term in the Security Agreement.

2. GRANT OF COLLATERAL ASSIGNMENT AND SECURITY INTEREST.

2.1. Security Interest; Assignment of Patents. As collateral security for the payment and performance in full of all of the Secured Obligations, the Assignor hereby unconditionally grants to the Lenders a continuing security interest in and first priority lien on the Patent Collateral, and pledges and mortgages (but does not transfer title to) the Patent Collateral to the Lenders. In addition, the Assignor has executed in blank and delivered to the Lenders an assignment of federally registered patents in substantially the form of Exhibit 1 hereto (the "Assignment of Patents"). The Assignor hereby authorizes the Lenders to complete as assignee and record with the PTO the Assignment of Patents upon the occurrence and during the continuance of an Event of Default and the proper exercise of the Lenders' remedies under this Agreement, the Security Agreement, and the Purchase Agreement.

2.2. Collateral Assignment. In addition to, and not by way of limitation of, the grant, pledge and mortgage of the Patent Collateral provided in Section 2.1, the Assignor grants, assigns, transfers, conveys and sets over to the Lenders the Assignor's entire right, title and interest in and to the Patent Collateral; provided that such grant, assignment, transfer and conveyance shall be and become of force and effect only (i) upon or after the occurrence and during the continuance of an Event of Default and (ii) either (A) upon the written demand of the Lenders at any time during such continuance or (B) immediately and automatically (without notice or action of any kind by the Lenders) upon

an Event of Default for which acceleration of the indebtedness outstanding under the Notes is automatic under the Notes or upon the sale or other disposition of or foreclosure upon the Collateral pursuant to the Security Agreement and applicable law (including the transfer or other disposition of Collateral by the Assignor to the Lenders or their nominee in lieu of foreclosure).

2.3. Supplemental Security Agreement. Pursuant to the Security Agreement, the Assignor has granted to the Lenders a continuing security interest in and lien on the Collateral (including the Patent Collateral). The Security Agreement, and all rights and interests of the Lenders in and to the Collateral (including the Patent Collateral) thereunder, are hereby ratified and confirmed in all respects. In no event shall this Agreement, the grant, assignment, transfer and conveyance of the Patent Collateral hereunder, or the recordation of this Agreement (or any document hereunder) with the PTO, adversely affect or impair, in any way or to any extent, the Security Agreement, the security interest of the Lenders in the Collateral (including the Patent Collateral) pursuant to the Security Agreement and this Agreement, the attachment and perfection of such security interest under the Uniform Commercial Code (including the security interest in the Patent Collateral), or any present or future rights and interests of the Lenders in and to the Collateral under or in connection with the Security Agreement, this Agreement or the Uniform Commercial Code. Any and all rights and interests of the Lenders in and to the Patent Collateral (and any and all Secured Obligations of the Assignor with respect to the Patent Collateral) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of the Lenders (and the Secured Obligations of the Assignor) in, to or with respect to the Collateral (including the Patent Collateral) provided in or arising under or in connection with the Security Agreement and shall not be in derogation thereof. **THE LENDERS ASSUME NO LIABILITY ARISING IN ANY WAY BY REASON OF THEIR HOLDING SUCH COLLATERAL.**

3. REPRESENTATIONS, WARRANTIES AND COVENANTS.

The Assignor represents, warrants and covenants that: (i) Schedule A attached hereto sets forth a true and complete list of all the patents, rights to patents and patent applications now owned, licensed, controlled or used by the Assignor; (ii) the issued Patents are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and there is no litigation or proceeding pending concerning the validity or enforceability of the issued Patents; (iii) to the best of the Assignor's knowledge, each of the issued Patents is valid and enforceable; (iv) to the best of the Assignor's knowledge, there is no infringement by others of the issued Patents or Patent Rights; (v) no claim has been made that the use of any of the Patents does or may violate the rights of any third person, and to the best of the Assignor's knowledge there is no infringement by the Assignor of the patent rights of others; (vi) the Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents (other than ownership and other rights reserved by third party owners with respect to Patents which the Assignor is licensed to practice or use and excluding rights granted to others

under existing licenses of the Patents set forth on Schedule B), free and clear of any liens, charges, encumbrances and adverse claims, including without limitation pledges, assignments, licenses, shop rights and covenants by the Assignor not to sue third persons, other than the security interest and assignment created by the Security Agreement and this Agreement; (vii) the Assignor has the unqualified right to enter into this Agreement and perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents, consultants, licensors and licensees which will enable it to comply with the covenants herein contained; (viii) this Agreement, together with the Security Agreement, will create in favor of the Lenders a valid and perfected first priority security interest in the Patent Collateral upon making the filings referred to in clause (ix) of this Section 3; and (ix) except for the filing of financing statements with Delaware under the Uniform Commercial Code and the filing of this Agreement or a financing statement with the PTO, no authorization, approval or other action by, and no notice to or filing with, any governmental or regulatory authority, agency or office is required either (1) for the grant by the Assignor or the effectiveness of the security interest and assignment granted hereby or for the execution, delivery and performance of this Agreement by the Assignor, or (2) for the perfection of or the exercise by the Lenders of any of their rights and remedies hereunder.

4. NO TRANSFER OR INCONSISTENT AGREEMENTS.

Without the Lenders' prior written consent and except for (i) existing licenses of the Patent Collateral to those parties set forth on Schedule B and (ii) licenses of the Patent Collateral granted after the date hereof in the ordinary course of the Assignor's business consistent with its past practices, the Assignor will not (a) mortgage, pledge, assign, encumber, grant a security interest in, transfer, license or alienate any of the Patent Collateral, or (b) enter into any agreement (for example, a license agreement) that is inconsistent with the Assignor's Secured Obligations under this Agreement or the Security Agreement.

5. AFTER-ACQUIRED PATENTS, ETC.

5.1. After-acquired Patents. If, before the Secured Obligations shall have been finally paid and satisfied in full, the Assignor shall obtain any right, title or interest in or to any other or new patents, patent applications or patentable inventions, or become entitled to the benefit of any patent application or patent or any reissue, division, continuation, renewal, extension, or continuation-in-part of any of the Patent Collateral or any improvement on any of the Patent Collateral, the provisions of this Agreement shall automatically apply thereto and the Assignor shall promptly give to the Lenders notice thereof in writing and execute and deliver to the Lenders such documents or instruments as the Lenders may reasonably request further to implement, preserve or evidence the Lenders' interest therein.

5.2. Amendment to Schedule. The Assignor authorizes the Lenders to modify this Agreement and the Assignment of Patents, without the necessity of the Assignor's

further approval or signature, by amending Schedule A hereto and the Annex to the Assignment of Patents hereto to include any future or other Patents or Patent Rights under Section 2 or Section 5 hereof.

6. PATENT PROSECUTION.

6.1. Assignor Responsible. The Assignor shall assume full and complete responsibility for the prosecution, grant, enforcement or any other necessary or desirable actions in connection with the Patent Collateral, and shall hold the Lenders harmless from any and all costs, damages, liabilities and expenses which may be incurred by the Lenders in connection with the Lenders' interest in any of the Patent Collateral or any other action or failure to act in connection with this Agreement or the transactions contemplated hereby. In respect of such responsibility, the Assignor shall retain patent counsel acceptable to the Lenders.

6.2. Assignor's Duties, etc. The Assignor shall have the right and the duty, through patent counsel acceptable to the Lenders, to prosecute diligently any patent applications of the Patents pending as of the date of this Agreement or thereafter, to make application for unpatented but reasonably patentable inventions and to preserve and maintain all rights in the Patents, including without limitation the payment when due of all maintenance fees and other fees, taxes and other expenses which shall be incurred or which shall accrue with respect to any of the Patents subject to Assignor's right to drop or decline to maintain patents rights in the ordinary course of business. Any expenses incurred in connection with such applications and actions shall be borne by the Assignor. The Lenders hereby appoint the Assignor as their agent for all matters referred to in the foregoing provisions of this Section 6 and agree to execute any documents necessary to confirm such appointment. Upon the occurrence and during the continuance of an Event of Default, the Lenders may terminate such agency by providing written notice of termination to the Assignor.

6.3. Assignor's Enforcement Rights. The Assignor shall have the right, with the consent of the Lenders, which shall not be unreasonably withheld, to bring suit or other action in the Assignor's own name to maintain and enforce the Patents and the Patent Rights. The Lenders shall be required to join in such suit or action as may be necessary to assure the Assignor's ability to bring and maintain any such suit or action in any proper forum so long as the Lenders are completely satisfied that such joinder will not subject them to any risk of liability. The Assignor shall promptly, upon demand, reimburse and indemnify the Lenders for all damages, costs and expenses, including legal fees, incurred by the Lenders pursuant to this Section 6.

6.4. Protection of Patents, etc. In general, the Assignor shall take any and all such actions (including but not limited to institution and maintenance of suits, proceedings or actions) as may be necessary or appropriate to properly maintain, protect, preserve, care for and enforce the Patent Collateral other than patent rights dropped in the ordinary course of business. The Assignor shall not take or fail to take any action, nor permit any

action to be taken or not taken by others under its control, which would affect the validity, grant or enforcement of any of the Patent Collateral other than patent rights dropped in the ordinary course of business.

6.5. Notification by Assignor. Promptly upon obtaining knowledge thereof, the Assignor will notify the Lenders in writing of the institution of, or any final adverse determination in, any proceeding in the PTO or any similar office or agency of the United States or any foreign country, or any court, regarding the validity of any of the Patents or the Assignor's rights, title or interests in and to any of the Patent Collateral, and of any event which does or reasonably could materially adversely affect the value of any of the Patent Collateral, the ability of the Assignor or the Lenders to dispose of any of the Patent Collateral or the rights and remedies of the Lenders in relation thereto (including but not limited to the levy of any legal process against any of the Patent Collateral).

7. REMEDIES.

If any Event of Default shall have occurred and be continuing, then upon notice by the Lenders to the Assignor: (i) the Assignor shall immediately cease and desist from the practice, manufacture, use and sale of the inventions claimed, disclosed or covered by the Patents; and (ii) the Lenders shall have, in addition to all other rights and remedies given them by this Agreement (including, without limitation, those set forth in Section 2.2), the Security Agreement, and any other related financing documents, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any applicable jurisdiction and, without limiting the generality of the foregoing, the Lenders may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to the Assignor, all of which are hereby expressly waived, and without advertisement, sell or license at public or private sale or otherwise realize upon the whole or from time to time any part of the Patent Collateral, or any interest which the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Patent Collateral all expenses (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the payment of the Secured Obligations. Notice of any sale, license or other disposition of any of the Patent Collateral shall be given to the Assignor at least five (5) days before the time that any intended public sale or other public disposition of such Patent Collateral is to be made or after which any private sale or other private disposition of such Patent Collateral may be made, which the Assignor hereby agrees shall be reasonable notice of such public or private sale or other disposition. At any such sale or other disposition, the Lenders may, to the extent permitted under applicable law, purchase or license the whole or any part of the Patent Collateral or interests therein sold, licensed or otherwise disposed of.

At any time at the request of Lenders representing a Majority-in-Interest of the Purchasers (as defined in the Purchase Agreement), the Assignor shall appoint either SI Venture Fund II, L.P. or Crossbow Venture Partners, L.P. to be the Collateral Agent (as defined in the Purchase Agreement), for the ratable benefit of the Lenders, to (a) hold and

administer the Patent Collateral, (b) enforce any of their rights under this Agreement or (c) perform any other acts generally required of a collateral agent in connection with transactions of the nature contemplated by this Agreement and the Security Agreement. The Assignor hereby agrees to pay any required fees, expenses and indemnities of the Collateral Agent. At all times, the Collateral Agent shall act at the direction of the Lenders representing a Majority-in-Interest of the Purchasers (as defined in the Purchase Agreement). In the absence of a Collateral Agent all rights and remedies shall be exercised only by the Lenders representing a Majority-in-Interest of the Purchasers (as defined in the Purchase Agreement).

8. COLLATERAL PROTECTION.

If the Assignor shall fail to do any act that it has covenanted to do hereunder, or if any representation or warranty of the Assignor shall be breached, the Lenders, in their own name or that of the Assignor (in the sole discretion of the Lenders), may (but shall not be obligated to) do such act or remedy such breach (or cause such act to be done or such breach to be remedied), and the Assignor agrees promptly to reimburse the Lenders for any cost or expense incurred by the Lenders in so doing.

9. POWER OF ATTORNEY.

If any Event of Default shall have occurred and be continuing, the Assignor does hereby make, constitute and appoint the Lenders (and any officer or agent of the Lenders as they may select in its exclusive discretion) as the Assignor's true and lawful attorney-in-fact, with the power to endorse the Assignor's name on all applications, documents, papers and instruments necessary for the Lenders to use any of the Patent Collateral, to practice, make, use or sell the inventions disclosed or claimed in any of the Patent Collateral, to grant or issue any exclusive or nonexclusive license of any of the Patent Collateral to any third person, or to take any and all actions necessary for the Lenders to assign, pledge, convey or otherwise transfer title in or dispose of the Patent Collateral or any part thereof or interest therein to any third person, and, in general, to execute and deliver any instruments or documents and do all other acts which the Assignor is obligated to execute and do hereunder. The Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, and releases the Lenders from any claims, liabilities, causes of action or demands arising out of or in connection with any action taken or omitted to be taken by the Lenders under this power of attorney (except for the Lenders' gross negligence or willful misconduct). This power of attorney is coupled with an interest and shall be irrevocable for the duration of this Agreement.

10. FURTHER ASSURANCES.

The Assignor shall, at any time and from time to time, and at its expense, make, execute, acknowledge and deliver, and file and record as necessary or appropriate with governmental or regulatory authorities, agencies or offices, such agreements, assignments, documents and instruments, and do such other and further acts and things (including,

without limitation, obtaining consents of third parties), as the Lenders may request or as may be necessary or appropriate in order to implement and effect fully the intentions, purposes and provisions of this Agreement, or to assure and confirm to the Lenders the grant, perfection and priority of the Lenders' security interest in any of the Patent Collateral.

11. TERMINATION.

At such time as all of the Secured Obligations have been finally paid and satisfied in full, this Agreement shall terminate and the Lenders shall, upon the written request and at the expense of the Assignor, execute and deliver to the Assignor all deeds, assignments and other instruments as may be necessary or proper to reassign and reconvey to and re-vest in the Assignor the entire right, title and interest to the Patent Collateral previously granted, assigned, transferred and conveyed to the Lenders by the Assignor pursuant to this Agreement, as fully as if this Agreement had not been made, subject to any disposition of all or any part thereof which may have been made by the Lenders pursuant to the Security Agreement, this Agreement or otherwise.

12. COURSE OF DEALING.

No course of dealing among the Assignor and the Lenders, nor any failure to exercise, nor any delay in exercising, on the part of the Lenders, any right, power or privilege hereunder or under the Security Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. EXPENSES.

Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by the Lenders in connection with the preparation of this Agreement and all other documents relating hereto, the consummation of the transactions contemplated hereby or the enforcement hereof, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance or renewal fees, encumbrances or otherwise protecting, maintaining or preserving any of the Patent Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to any of the Patent Collateral, shall be borne and paid by the Assignor.

14. OVERDUE AMOUNTS.

Until paid, all amounts due and payable by the Assignor hereunder shall be a debt secured by the Patent Collateral and other Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in the Notes.

15. NO ASSUMPTION OF LIABILITY; INDEMNIFICATION.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE LENDERS ASSUME NO LIABILITIES OF THE ASSIGNOR WITH RESPECT TO ANY CLAIM OR CLAIMS REGARDING THE ASSIGNOR'S OWNERSHIP OR PURPORTED OWNERSHIP OF, OR RIGHTS OR PURPORTED RIGHTS ARISING FROM, ANY OF THE PATENT COLLATERAL OR ANY PRACTICE, USE, LICENSE OR SUBLICENSE THEREOF, OR ANY PRACTICE, MANUFACTURE, USE OR SALE OF ANY OF THE INVENTIONS DISCLOSED OR CLAIMED THEREIN, WHETHER ARISING OUT OF ANY PAST, CURRENT OR FUTURE EVENT, CIRCUMSTANCE, ACT OR OMISSION OR OTHERWISE. ALL OF SUCH LIABILITIES SHALL BE EXCLUSIVELY BORNE BY THE ASSIGNOR, AND THE ASSIGNOR SHALL INDEMNIFY THE LENDERS FOR ANY AND ALL COSTS, EXPENSES, DAMAGES AND CLAIMS, INCLUDING LEGAL FEES, INCURRED BY THE LENDERS WITH RESPECT TO SUCH LIABILITIES.

16. RIGHTS AND REMEDIES CUMULATIVE.

The Lenders' rights and remedies with respect to the Patent Collateral, whether established hereby, by the Security Agreement or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. This Agreement is supplemental to the Security Agreement, and nothing contained herein shall in any way derogate from any of the rights or remedies of the Lenders contained therein. Nothing contained in this Agreement shall be deemed to extend the time of attachment or perfection of or otherwise impair the security interest in any of the Collateral granted to the Lenders under the Security Agreement.

17. NOTICES.

Any notice required or permitted by this Agreement shall be in writing and shall be deemed effectively given: (a) upon actual delivery, when delivered personally; (b) upon receipt when sent by confirmed telegram or fax if sent during normal business hours, and if not, then on the next business day; (c) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt; or (d) five (5) business days after being deposited in the U.S. mail, as certified or registered mail, return receipt requested, postage prepaid. All communications shall be sent to the parties hereto at the addresses as set forth below or at such other address as the parties hereto may designate by ten (10) days advance written notice to the other parties hereto:

(a) if to the Assignor,

Inceptor, Inc.
4 Clock Tower Place
Suite 300

Maynard, Massachusetts 01754
Attn: President

(b) if to the Lenders,

At the addresses set forth on Schedule 1 to the Purchase Agreement.

18. AMENDMENT AND WAIVER; ACTION BY LENDERS.

This Agreement may not be amended or modified orally, but only by an instrument in writing executed on behalf of the Assignor and the Lenders representing a Majority-in-Interest of the Purchasers (as defined in the Purchase Agreement), except as provided in Section 5.2. The Lenders shall not be deemed to have waived any right hereunder unless such waiver shall be in writing and signed by the Lenders representing a Majority-in-Interest of the Purchasers (as defined in the Purchase Agreement). A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. Any consent, waiver, action or remedy to be given, taken or exercised by the Lenders under this Agreement shall be given, taken or exercised by the Lenders representing a Majority-in-Interest of the Purchasers (as defined in the Purchase Agreement).

19. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER

THIS AGREEMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW). The Assignor agrees that any suit for the enforcement of this Agreement may be brought in the courts of the Commonwealth of Massachusetts or any federal court sitting therein and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon the Assignor by mail at the address specified in Section 17. The Assignor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

20. WAIVER OF JURY TRIAL.

THE ASSIGNOR WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS PATENT AGREEMENT, ANY RIGHTS OR SECURED OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR SECURED OBLIGATIONS. Except as prohibited by law, the Assignor waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. The Assignor (i) certifies that neither the Lenders nor any representative, agent or attorney of the Lenders have represented, expressly or

otherwise, that they would not, in the event of litigation, seek to enforce the foregoing waivers, and (ii) acknowledges that, in entering into the Security Agreement and the other agreements and instruments related thereto to which the Lenders are parties, the Lenders are relying upon, among other things, the waivers and certifications contained in this Section 20.

21. MISCELLANEOUS.

The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and Secured Obligations hereunder shall be binding upon the Assignor and its successors and assigns, and shall inure to the benefit of the Lenders and their respective successors and assigns. In the event of any irreconcilable conflict between the provisions of this Agreement and the Security Agreement, the provisions of the Security Agreement shall control. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Assignor acknowledges receipt of a copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Patent Collateral Assignment and Security Agreement has been executed as of the day and year first above written.

INCEPTOR, INC.

By 
Name: Ralph Koehrer
Title: President

SI VENTURE FUND II, L.P.

By: SI Venture Management, II, LLC, its
General Partner

By: _____
N. Adam Rin, its Managing Member

CROSSBOW VENTURE PARTNERS, L.P.

By: _____
Name:
Title:

MI-2 CAPITAL LLC


By: _____
Name: William R. Berstein
Title: Authorized Person

IN WITNESS WHEREOF, this Patent Collateral Assignment and Security Agreement has been executed as of the day and year first above written.

INCEPTOR, INC.

By _____
Name: Ralph Koehrer
Title: President

SI VENTURE FUND II, L.P.

By: SI Venture Management, II, LLC, its
General Partner
By: 
N. Adam Rin, its Managing Member

CROSSBOW VENTURE PARTNERS, L.P.

By: _____
Name:
Title:

MI-2 CAPITAL LLC

By: _____
Name: William R. Berstein
Title: Authorized Person

IN WITNESS WHEREOF, this Patent Collateral Assignment and Security Agreement has been executed as of the day and year first above written.

INCEPTOR, INC.

By _____
Name: Ralph Koehrer
Title: President

SI VENTURE FUND II, L.P.

By: SI Venture Management, II, LLC, its
General Partner

By: _____
N. Adam Rin, its Managing Member

CROSSBOW VENTURE PARTNERS, L.P.

By: Ravi Ugaile
Name: RAVI UGAILE
Title: VICE-PRESIDENT

MI-2 CAPITAL LLC

By: _____
Name: William R. Berstein
Title: Authorized Person

IN WITNESS WHEREOF, this Patent Collateral Assignment and Security Agreement has been executed as of the day and year first above written.

INCEPTOR, INC.

By _____
Name: Ralph Koehrer
Title: President

SI VENTURE FUND II, L.P.


By: SI Venture Management, II, LLC, its
General Partner

By: _____
N. Adam Rin, its Managing Member

CROSSBOW VENTURE PARTNERS, L.P.

By: _____
Name:
Title:

MI-2 CAPITAL LLC

By: 
Name: William R. Bernstein
Title: Authorized Person

SCHEDULE 1

SCHEDULE OF LENDERS

SI Venture Fund II, L.P.
12600 Gateway Blvd.
Fort Myers, FL 33913

Crossbow Venture Partners,
L.P.
One North Clematis Street
Suite 510
West Palm Beach, FL 33401-
5523

MI-2 Capital LLC
c/o Mesco Ltd.
470 Main Street, Suite 315
Ridgefield, CT 06877

SCHEDULE A

Patents and Patent Applications

Chart I: U.S. Registered Patents - Owner is Inceptor, Inc.

<u>Ref#</u>	<u>Application Title</u>	<u>Serial No.</u>	<u>Type</u>	<u>Status</u>	<u>Filing Date</u>

Chart II: U.S. Patents Filed and Pending - Owner is Inceptor, Inc.

<u>Ref#</u>	<u>Application Title</u>	<u>Serial No.</u>	<u>Type</u>	<u>Status</u>	<u>Filing Date</u>
MEDIDN A.028A	CONTROLLED PROMOTION - A SYSTEM AND METHOD OF OBFUSCATING DATA	09/456,778	Patent - US	Pending	08-Dec-99
MEDIDN A.028VP C	SYSTEM AND METHOD OF OBFUSCATING DATA	PCT/US99/ 29150, WO00/348 45	Patent - PCT	Published	08-Dec-99
MEDIDN A.046A	SYSTEM AND METHOD OF DYNAMICALLY GENERATING INDEX INFORMATION FOR A DATA OBJECT BASED UPON CLIENT PROVIDED SEARCH WORDS	09/456,792	Patent - US	Pending	08-Dec-99
MEDIDN A.047A	SYSTEM AND METHOD OF DYNAMICALLY CUSTOMIZING THE CONTENT OF A NETWORK ACCESSIBLE ELECTRONIC RESOURCE BASED UPON THE IDENTITY OF THE REQUESTOR	09/457,600	Patent - US	Pending	08-Dec-99
MEDIDN A.048A	SYSTEM AND METHOD OF DYNAMICALLY GENERATING AN ELECTRONIC DOCUMENT BASED UPON DATA ANALYSIS	09/456,784	Patent - US	Allowed	08-Dec-99

<u>Ref#</u>	<u>Application Title</u>	<u>Serial No.</u>	<u>Type</u>	<u>Status</u>	<u>Filing Date</u>
MEDIDN A.049A	SYSTEM AND METHOD FOR DYNAMICALLY GENERATING INDEX INFORMATION	09/456,793	Patent - US	Pending	08-Dec-99
MEDIDN A.050A	SYSTEM AND METHOD OF PROVIDING MULTIPLE ITEMS OF INDEX INFORMATION FOR A SINGLE DATA OBJECT	09/456,777	Patent - US	Pending	08-Dec-99
	METHOD AND SYSTEM FOR ENHANCED WEB PAGE DELIVERY	09/945,575	Patent - US	Published	30-Apr-01
	METHOD AND SYSTEM FOR ENHANCED WEB PAGE DELIVERY	60/200,205	Patent - PRO	Abandone d	28-Apr-00
	METHOD AND SYSTEM FOR ENHANCED WEB PAGE DELIVERY	US01/1393 4	Patent - PCT	Pending	30-Apr-01
	PROCESS FOR OBFUSCATING DOCUMENT SOURCE SUCH THAT THE OBFUSCATED VERSION ADEQUATELY REPRESENTS THE ORIGINALS FOR USE IN INFORMATION RETRIEVAL	60/111,501	Patent - PRO	Abandone d	08-Dec-98
	SYSTEM AND METHOD OF DYNAMICALLY GENERATING AND ELECTRONIC DOCUMENT BASED UPON DATA ANALYSIS	99963053. 6	Patent - EP	Published	08-Dec-99
	SYSTEM AND METHOD FOR CALCULATING A MARKETING APPEARANCE FREQUENCY MEASUREMENT*	09-733754	Patent-US	Published under #2002011 1847 on August 15, 2000	08-Dec-00

*Assignment from Word of Net Acquisition Corporation to Inceptor, Inc. was filed with the USPTO in November 2002. This is not yet on the record.

SCHEDULE B

Existing Licenses

None.

EXHIBIT 1

ASSIGNMENT OF PATENTS (U.S.)

WHEREAS, Inceptor, Inc., a Delaware corporation, having its principal place of business at 4 Clock Tower Place, Suite 300, Maynard, Massachusetts 01754 ("Assignor"), has been issued the patents and filed the patent applications (the "Patents") identified on the Annex hereto, and is the owner of such Patents as evidenced in the records of the United States Patent and Trademark Office; and

WHEREAS, _____ (the "Assignee") is desirous of acquiring the Patents;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Patents, together with the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Patents.

This Assignment of Patents (U.S.) is intended to and shall take effect as a sealed instrument at such time as the Assignee shall complete this instrument by signing its acceptance of this Assignment of Patents (U.S.) below.

IN WITNESS WHEREOF, the Assignor, by its duly authorized officer, has executed this assignment, as an instrument under seal, on this ____ day of _____, 200_.

INCEPTOR, INC.

By: _____
Name:
Title:

ANNEX

Patents and Patent Applications

Chart I: U.S. Registered Patents – Owner is Inceptor, Inc.

<u>Ref#</u>	<u>Application Title</u>	<u>Serial No.</u>	<u>Type</u>	<u>Status</u>	<u>Filing Date</u>

Chart II: U.S. Patents Filed and Pending - Owner is Inceptor, Inc.

<u>Ref#</u>	<u>Application Title</u>	<u>Serial No.</u>	<u>Type</u>	<u>Status</u>	<u>Filing Date</u>
MEDIDN A.028A	CONTROLLED PROMOTION - A SYSTEM AND METHOD OF OBFUSCATING DATA	09/456,778	Patent - US	Pending	08-Dec-99
MEDIDN A.028VP C	SYSTEM AND METHOD OF OBFUSCATING DATA	PCT/US99/ 29150, WO00/348 45	Patent - PCT	Published	08-Dec-99
MEDIDN A.046A	SYSTEM AND METHOD OF DYNAMICALLY GENERATING INDEX INFORMATION FOR A DATA OBJECT BASED UPON CLIENT PROVIDED SEARCH WORDS	09/456,792	Patent - US	Pending	08-Dec-99
MEDIDN A.047A	SYSTEM AND METHOD OF DYNAMICALLY CUSTOMIZING THE CONTENT OF A NETWORK ACCESSIBLE ELECTRONIC RESOURCE BASED UPON THE IDENTITY OF THE REQUESTOR	09/457,600	Patent - US	Pending	08-Dec-99
MEDIDN A.048A	SYSTEM AND METHOD OF DYNAMICALLY GENERATING AN ELECTRONIC DOCUMENT BASED UPON DATA ANALYSIS	09/456,784	Patent - US	Allowed	08-Dec-99

<u>Ref#</u>	<u>Application Title</u>	<u>Serial No.</u>	<u>Type</u>	<u>Status</u>	<u>Filing Date</u>
MEDIDN A.049A	SYSTEM AND METHOD FOR DYNAMICALLY GENERATING INDEX INFORMATION	09/456,793	Patent - US	Pending	08-Dec-99
MEDIDN A.050A	SYSTEM AND METHOD OF PROVIDING MULTIPLE ITEMS OF INDEX INFORMATION FOR A SINGLE DATA OBJECT	09/456,777	Patent - US	Pending	08-Dec-99
	METHOD AND SYSTEM FOR ENHANCED WEB PAGE DELIVERY	09/945,575	Patent - US	Published	30-Apr-01
	METHOD AND SYSTEM FOR ENHANCED WEB PAGE DELIVERY	60/200,205	Patent - PRO	Abandone d	28-Apr-00
	METHOD AND SYSTEM FOR ENHANCED WEB PAGE DELIVERY	US01/1393 4	Patent - PCT	Pending	30-Apr-01
	PROCESS FOR OBFUSCATING DOCUMENT SOURCE SUCH THAT THE OBFUSCATED VERSION ADEQUATELY REPRESENTS THE ORIGINALS FOR USE IN INFORMATION RETRIEVAL	60/111,501	Patent - PRO	Abandone d	08-Dec-98
	SYSTEM AND METHOD OF DYNAMICALLY GENERATING AND ELECTRONIC DOCUMENT BASED UPON DATA ANALYSIS	99963053. 6	Patent - EP	Published	08-Dec-99
	SYSTEM AND METHOD FOR CALCULATING A MARKETING APPEARANCE FREQUENCY MEASUREMENT*	09-733754	Patent-US	Published under #2002011 1847 on August 15, 2000	08-Dec-00

*Assignment from Word of Net Acquisition Corporation to Inceptor, Inc. was filed with the USPTO in November 2002. This is not yet on the record.