

**AMENDMENT NO. 1 TO
COLLATERAL ASSIGNMENT OF PATENTS AND TRADEMARKS**

THIS AMENDMENT NO. 1 TO COLLATERAL ASSIGNMENT OF PATENTS AND TRADEMARKS ("**Amendment**"), is made as of November 3, 2000, by and between FERX INCORPORATED (the "**Assignor**") and COMDISCO, INC. (the "**Assignee**").

RECITALS

A. Assignor and Assignee are parties to that certain Subordinated Loan and Security Agreement dated August 2, 1999, as amended by that certain Amendment No. 1 to Subordinated Loan and Security Agreement dated as of September 28, 2000 (as it has been and may hereafter be amended from time to time, being the "**Loan Agreement**"), pursuant to which Assignee agreed to extend certain financial accommodations to or for the direct or indirect benefit of Assignor.

B. Pursuant to the Loan Agreement, Assignor executed and delivered to Assignee that certain Collateral Assignment of Patents and Trademarks dated as of August 2, 1999 (as the same may from time to time be further amended, modified or supplemented, the "**Assignment Agreement**"). Pursuant to the Assignment Agreement, among other things, Assignor granted to Assignee, a security interest in its patents and trademarks to secure its obligations to Assignee under the Loan Agreement. All terms capitalized but not defined herein shall have the respective meanings set forth in the Assignment Agreement.

C. Assignor and Agent are entering into this Amendment in order to reaffirm and continue in effect the Liens granted by Assignor under the Assignment Agreement and, to the extent not granted in the Assignment Agreement, to grant the Liens contemplated by this Amendment.

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

AGREEMENT

1. Amendment of Assignment Agreement. The Assignment Agreement is hereby amended as follows:

1.1 Section 1 of the Assignment Agreement is hereby deleted in its entirety and the following is substituted therefor:

1. **Collateral Assignment of Patents and Trademarks.** To secure the prompt and complete payment, performance and observance of all of the Assignor's indebtedness to Assignee, Assignor hereby grants to Assignee, a continuing security interest in all of Assignor's now existing or hereafter acquired right, title, and interest in all of the following (all of the following items or types of property being herein collectively referred to as the "**Intellectual Property Collateral**"), whether now existing or hereafter arising:

(i) all Patents, Patent Licenses, and applications for Patents, including those listed on **Schedule A**, as the same may be amended to

include any Patents, Patent Licenses and applications for Patents hereinafter acquired, and the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, some of which may be subject to co-ownership with a third party as a result of joint inventions and some of which are subject to royalty payment obligations resulting from previous agreements, as set forth in **Schedule X**;

(ii) all Trademarks, Trademark Licenses, and applications for Trademarks, including those listed on **Schedule B** as the same may be amended to include any Trademarks, Trademark Licenses or applications for Trademarks hereafter acquired, and all registrations and renewals thereof;

(iii) all Proceeds thereof.

1.2. Sections 3 and 4 of the Assignment Agreement are hereby amended by replacing all references to "Patents" with the term "Intellectual Property Collateral."

1.3 Section 5 of the Assignment Agreement is hereby amended by replacing all references to "Patents and Trademarks" with the term "Intellectual Property Collateral."

1.4 **Schedule A** to the Assignment Agreement is hereby supplemented by **Supplement I to Schedule A** attached hereto as **Appendix 1** and made a part hereof.

1.5 **Schedule B** to the Assignment Agreement is attached hereto as **Appendix 2** and made a part hereof.

2. Acknowledgment and Confirmation of Security Interest. Assignor hereby confirms and ratifies its prior assignment and grant, and assigns and grants to Assignee, a continuing, first priority security interest in all of such Assignor's right, title and interest in, to and under the Intellectual Property Collateral.

3. Conditions to Effectiveness. This Amendment shall become effective as of the date hereof when Assignee has received executed counterparts of this Amendment.

4. Representations and Warranties. Assignor hereby represents and warrants to Assignee as follows: (a) the representations and warranties contained in the Loan Agreement were true and correct in all material respects when made and, after giving effect to this Amendment, shall remain true and correct in all material respects as of the date hereof; and (b) this Amendment, the Assignment Agreement, as amended hereby, the Loan Agreement, and the other Loan Documents constitute the legal, valid and binding obligations of Assignor, enforceable against Assignor in accordance with their respective terms.

5. Ratification. Except as specifically modified by this Amendment, the parties hereto acknowledge that the Assignment Agreement shall remain binding upon each Assignor and Assignee, and all provisions of the Assignment Agreement shall remain in full force and effect. Assignor expressly ratifies and affirms its obligations to Assignee under the Assignment Agreement, the Loan Agreement and the other Loan Documents. Assignor hereby further acknowledges and affirms that the rights and remedies of Assignee with respect to the security interest in the Intellectual Property Collateral made and granted hereby are more fully set forth in the Loan Agreement, the terms and provisions of which are incorporated by reference herein as

if fully set forth herein.

6. Miscellaneous.

6.1 Complete Agreement. The Assignment Agreement, as modified and amended by this Amendment, together with the Loan Agreement and the other Loan Documents, constitute the complete agreement among the parties hereto and thereto, and supersedes any prior written or oral agreements, writings, communications or understandings of the parties hereto and thereto, with respect to the subject matter hereof or thereof.

6.2 Recitals. The recitals to this Amendment shall constitute a part of the agreement of the parties hereto.

6.3 Counterparts. This Amendment may be executed in identical counterpart copies, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile transmission shall be effective as delivery of a manually executed counterpart of this Amendment.

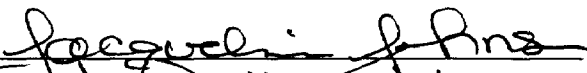
6.4 No Novation. Except as specifically set forth in this Amendment, the execution, delivery and effectiveness of this Amendment shall not (a) limit, impair, constitute a waiver by, or otherwise affect any right, power or remedy of Assignee under the Loan Agreement or any other Loan Document, (b) constitute a waiver of any provision in the Loan Agreement or in any of the other Loan Documents, or (c) alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Loan Agreement or in any of the other Loan Documents, all of which are ratified and affirmed in all respects and shall continue in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to the Collateral Assignment of Patents and Trademarks to be duly executed and delivered as of the date first written above.

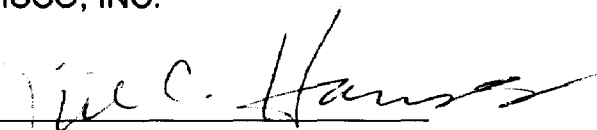
"Assignor"

FERX INCORPORATED

By: 
Name: Jacqueline Johnson
Title: President + CEO

"Assignee"

COMDISCO, INC.

By: 
Name: _____
Title: JILL C. HANSES
SENIOR VICE PRESIDENT

APPENDIX 1

SUPPLEMENT I
TO SCHEDULE A

To Collateral Assignment of Security Interest in Patents and Trademarks
Between FeRx Incorporated, as Grantor
and Comdisco, Inc. as Grantee

PATENTS AND PATENT APPLICATIONS

PATENT APPLICATIONS

Name	Status & Date Filed	Application Number
Magnetically Responsive Compositions for Carrying Biologically Active Substances and Methods of Production and Use	Published on 8/20/99. Filed on 12/22/98	98114605.1 Hong Kong
Magnetically Responsive Compositions for Carrying Biologically Active Substances and Methods of Production and Use	Pending Filed on 6/12/00	175975 Japan
Magnetically Responsive Compositions	Pending Filed on 1/6/99	09/226,818 US
Magnetically Responsive Compositions for Carrying Biologically Active Substances and Methods of Production and Use	Pending – Ch. 2 Filed on 1/6/99	PCT/US99/00243 PCT
Permanent Magnet Keeper-Shield Assembly	Pending Filed on 3/31/00	09/538,592 US
Magnetic Targeted Carrier Composed of Iron and Porous Materials for the Targeted Delivery of Biologically Active Agents	Pending Filed on 10/13/00	PCT/US00/28615 US
Magnetic Targeted Carrier Composed of Iron and Porous Materials for the Targeted Delivery of Biologically Active Agents	Pending Filed on 10/13/00	09/673,297 US

APPENDIX 2

SCHEDULE B

To Collateral Assignment of Patents and Trademarks
Between FeRx Incorporated, as Assignor
In favor of Comdisco, Inc. as Assignee

TRADEMARKS AND TRADEMARK APPLICATIONS

TRADEMARKS

Name	Date Filed or Issued	Serial Number	Status
N/A			

TRADEMARK APPLICATIONS

Name/Mark	Date Filed	Serial Number	Status	Licensee
FERX Class 5	October 9, 2000	76/146,935	Pending	FeRx Newco, Ltd.
FERX Class 10	October 9, 2000	76/146,932	Pending	FeRx Newco, Ltd.

TRADEMARK LICENSES

Name	Licensor	Licensee	Number
N/A			