

03-07-2001

U.S. Department of Commerce  
Patent and Trademark Office

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101629465

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

1. Name of conveying party(ies):

INTERNETREPORTS.COM, INC.

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MUN  
2-22-01*

2. Name and Address of receiving party(ies)

Name: NET2PHONE, INC.

Address: 520 Broad Street  
Newark, NJ 07102

- Individual(s)
- General Partnership
- Corporation (State-Texas)
- Other

Additional name(s) of conveying party(ies) attached? Yes  No

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation (State -Delaware)
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from assignment)  
Additional name(s) & address(es) attached? Yes  No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: January 31, 2001

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

A. Trademark Application No.(s) 76/140262 75/926832  
75/906987 75/796092 75/796091

B. Trademark Registration No.(s)

Additional numbers attached? Yes  No

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

Hayley M. Smith  
Legal Assistant  
Kirkland & Ellis  
153 East 53rd Street  
New York, NY 10022-4675

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41)..... \$ 140.00  
 Enclosed

Any deficiency is authorized to be charged to  
Deposit Account No. 111098

8. Deposit Account No.

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

07/07/2001 DBYRNE 00000175 76140262

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01 FD:481 40.00 DP  
01 FD:481 100.00 DP

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.

Hayley Smith  
Name of Person Signing

Hayley Smith  
Signature

2/22/01  
Date

Total number of pages including cover sheet, attachments, and document: \_\_\_\_\_

COMMISSIONER OF PATENTS AND TRADEMARKS  
BOX ASSIGNMENT  
WASHINGTON D.C. 20231

TRADEMARK  
REEL: 002246 FRAME: 0222

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of January 31, 2001, is made by INTERNETREPORTS.COM, INC., a Texas corporation (the "Company") and NET2PHONE, INC., a Delaware corporation (the "Secured Party").

The Company, Clipscom, Inc., a Texas corporation (the "Parent") and the Secured Party have entered into a Video Mail Marketing Agreement of even date herewith (the "Marketing Agreement"), which is incorporated herein by reference and pursuant to which the Company and the Secured Party have agreed that the Company and the Parent shall be jointly and severally liable to make certain payments to the Secured Party.

The Company desires to secure obligations to the Secured Party under the Marketing Agreement in the manner set forth herein.

NOW, THEREFORE, in consideration of the Secured Obligations (as hereinafter defined) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Company, and to induce the Secured Party to enter into the Marketing Agreement, the Company hereby agrees with the Secured Party for its benefit as follows:

1. Definitions. Capitalized terms not otherwise defined herein which are defined in the Marketing Agreement shall have the meanings set forth therein or which are defined in the UCC shall have the meanings set forth therein. In addition to any other terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

"Accounts" shall, with respect to the Company, mean all accounts as that term is defined in the UCC and all rights of the Company now existing and hereafter acquired to payment for goods sold or leased or for services rendered which are not evidenced by an Instrument or Chattel Paper, whether or not earned by performance, together with (i) all security interests or other security held by or granted to the Company to secure such rights to payment, (ii) all other rights related thereto (including rights of stoppage in transit) and (iii) all rights in any of such sold or leased goods which are returned or repossessed.

"Chattel Paper" shall mean, with respect to the Company, all chattel paper as that term is defined in the UCC and any document or documents which evidence both a monetary obligation and a security interest in, or a lease or consignment of, specific goods; provided that when a transaction is evidenced both by a security agreement or a lease and by an Instrument or series of Instruments, the group of documents taken together constitute Chattel Paper.

"Collateral" shall mean, with respect to the Company, all Intellectual Property and all tangible and intangible personal property and fixtures relating to the Intellectual Property, wherever located, in which the Company now has or hereafter acquires any right or interest (including, without limitation, all of the Company's Accounts, Chattel Paper, Contract Rights, Documents, General Intangibles, Instruments, cash, bank accounts, special collateral accounts, uncertificated securities (as that term is defined in the UCC) and insurance policies and all books

and records (in whatever form or medium), customer lists, credit files, computer files, programs, printouts, source codes, software and other computer materials and records related to any of the foregoing) and all Proceeds (including, without limitation, all proceeds as that term is defined in the UCC), insurance proceeds, unearned premiums, tax refunds, rents, profits and products thereof.

"Contract Rights" shall mean, with respect to the Company, any of the Company's right to payment under a contract not yet earned by performance and not evidenced by an Instrument or Chattel Paper.

"Documents" shall mean, with respect to the Company, all documents as that term is defined in the UCC and all documents of title and goods evidenced thereby (including, without limitation, all bills of lading, dock warrants, dock receipts, warehouse receipts and orders for the delivery of goods), together with any other document which in the regular course of business or financing is treated as adequately evidencing that the Person in possession of it is entitled to receive, hold and dispose of such document and the goods it covers.

"Event of Default" shall have occurred if (i) the Parent fails to raise at least \$7,000,000 of debt or equity securities prior to January 31, 2002, and either the Parent or the Company fail to make all payments to Net2Phone, Inc., required under Section 8.1 of the Marketing Agreement or (ii) the Company makes an assignment for the benefit of creditors or admits in writing its inability to pay its debts generally as they become due; or an order, judgment or decree is entered adjudicating the Company bankrupt or insolvent; or any order for relief with respect to the Company is entered under the Federal Bankruptcy Code; or the Company petitions or applies to any tribunal for the appointment of a custodian, trustee, receiver or liquidator of the Company or of any substantial part of the assets of the Company, or commences any proceeding relating to the Company under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction; or any such petition or application is filed, or any such proceeding is commenced, against the Company and either (a) the Company by any act indicates its approval thereof, consent thereto or acquiescence therein or (b) such petition, application or proceeding is not dismissed within 60 days.

"General Intangibles" shall mean, with respect to the Company, all general intangibles as that term is defined in the UCC and all intangible personal property of every kind and nature relating to the Intellectual Property other than Accounts (including, without limitation, all Contract Rights, other rights to receive payments of money, choses in action, security interests, indemnification claims, judgments, tax refunds and tax refund claims, royalty and product rights, inventions, work in progress, patents, patent applications, trademarks, trademark applications, trade names, copyrights, copyright applications, permits, licenses, franchises, leasehold interests in real or personal property, rights to receive rentals of real or personal property or payments under letters of credit, insurance proceeds, know-how, trade secrets, other items of intellectual property and proprietary rights, goodwill (whether or not associated with any of the foregoing), computer software and guarantee claims).

"Instruments" shall mean, with respect to the Company, all negotiable instruments (as that term is defined in the UCC), certificated securities (as that term is defined in the UCC)

and any replacements therefor and Stock Rights related thereto, and other writings which evidence rights to the payment of money (whether absolute or contingent) and which are not themselves security agreements or leases and are of a type which in the ordinary course of business are transferred by delivery with any necessary endorsement or assignment (including, without limitation, all checks, drafts, notes, bonds, debentures, government securities, certificates of deposit, letters of credit, preferred and common stocks, options and warrants).

"Intellectual Property" means, with respect to the Company and its Subsidiaries, all (i) patents, patent applications, patent disclosures and inventions, (ii) trademarks, service marks, trade dress, trade names, logos and corporate names and registrations and applications for registration thereof, together with the goodwill of the business connected with the use of, and symbolized by, the foregoing of this term, (iii) copyrights and registrations and applications for registration thereof, (iv) mask works and registrations and applications for registration thereof, (v) computer software, data, data bases and documentation, (vi) trade secrets and other confidential information (including, without limitation, ideas, formulas, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice), know-how, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data, copyrightable works, financial and marketing plans and customer and supplier lists and information), (vii) other intellectual property rights and (viii) copies and tangible embodiments thereof (in whatever form or medium).

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Proceeds" shall mean, with respect to the Company, all proceeds (as that term is defined in the UCC) and any and all amounts or items of property received when any Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, both cash and non-cash, including proceeds of insurance, indemnity, warranty or guarantee paid or payable on or in connection with any Collateral.

"Receivables" shall mean, with respect to the Company and only as such Receivables relate to the Company's Intellectual Property, all Accounts, Chattel Paper and Contract Rights and all Instruments representing rights to receive payments.

"Secured Obligations" shall mean the obligation of the Company in the following: (i) all liabilities and obligations to Net2Phone, Inc., pursuant to the Marketing Agreement, and (ii) all costs and expenses (including, without limitation, to the extent permitted by law, reasonable attorneys' fees and other legal expenses) incurred by the Secured Party in the enforcement and collection of any of the liabilities and obligations referred to in clause (i) above.

"Stock Rights" shall mean, with respect to the Company, any stock, any dividend or other distribution and any other right or property which the Company shall receive or shall become entitled to receive for any reason whatsoever with respect to, in substitution for or in exchange for any and all shares of stock and other Instruments and uncertificated securities, any

right to receive or acquire any Instrument or uncertificated security and any right to receive earnings, in which the Company now has or hereafter acquires any right.

**"Subsidiary"** means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association or other business entity.

**"UCC"** shall mean the Uniform Commercial Code as in effect in any applicable jurisdiction.

2. Grant of the Security Interest.

(a) The Company hereby grants to and creates in favor of the Secured Party a continuing security interest and lien under the UCC and all other applicable laws in and to all of the Collateral as security for the full and timely payment, observance and performance of the Secured Obligations in accordance with the terms thereof and to induce the Secured Party to enter in the Marketing Agreement with the Company and the Parent.

(b) If an Event of Default shall occur and be continuing or shall exist, in addition to all other rights and remedies available to it hereunder or otherwise, the Secured Party shall have the right, without notice to the Company, to set-off against and to appropriate and apply to the unpaid balance of all of the Secured Obligations, any obligations owing to the Parent by the Secured Party and any funds held in any manner for the account of the Parent by the Secured Party, and the Secured Party is hereby granted a security interest in and lien on all such obligations and funds for such purpose.

(c) In furtherance of the intent of the parties hereto, the security interests and liens granted hereunder shall be treated as a severable first priority security interest and lien granted to the Secured Party.

3. The Company's Continuing Obligations. Notwithstanding any provision hereof to the contrary, (i) the Company shall remain liable under the Marketing Agreement and shall pay, perform and observe all of its liabilities and obligations thereunder, (ii) the Secured Party shall have no obligation to pay, perform or observe any of the Company's liabilities or obligations under such contracts and agreements as a result of exercising its rights under this

Agreement or otherwise and (iii) the Secured Party's exercise of its rights under this Agreement or otherwise shall not release the Company from any of its liabilities or obligations under such contracts and agreements.

4. Names, Addresses and Locations.

(a) The Company represents and warrants that, except as specified on Schedule I hereto, (i) during the five-year period prior to the execution and delivery of this Agreement, neither it nor any of its Subsidiaries has used any name or names under which it has invoiced account debtors, maintained records concerning Collateral or otherwise conducted business other than the exact name under which it has executed this Agreement, (ii) during such five-year period, it has not entered into any merger, consolidation, corporate reorganization or purchase of substantial assets in any bulk transfer or other transactions in which the transferor was not acting in the ordinary course of business and (iii) the address of the Company set forth on the signature page hereof is the address of the Company's chief executive office and is the address at which the Company keeps all books and records (in whatever form or medium, including all computer data, software and source codes) concerning the Collateral and the Proceeds thereof.

(b) If the Company desires to establish a new location for its chief executive office or a new location for any offices, plants or facilities where any Collateral or any books or records relating to the Collateral may be kept or to establish a new name in which it may invoice account debtors, maintain records concerning the Collateral or otherwise conduct business, it shall first, with respect to each such new location or name, (i) give the Secured Party at least 30 days prior written notice of its intention to do so and provide the Secured Party with such information in connection therewith as the Secured Party may reasonably request and (ii) if financing statements are on file with respect to any Collateral, take such action, upon request of the Secured Party, as may be necessary to maintain at all times the perfection and priority of the security interests in the Collateral granted to the Secured Party hereunder.

5. Filing Requirements; Other Financing Statements. The Company represents and warrants that (i) none of the Collateral consists of property subject to any statute or treaty referred to in Section 9-302(3) of the UCC (other than certain Intellectual Property), (ii) none of the Collateral is of a type for which security interests or liens may be filed under any federal statute, except for the Intellectual Property specified on Schedule II, and (iii) no financing statements describing any portion of the Collateral have been filed in any jurisdiction except for financing statements which have lapsed or have been terminated or financing statements naming the Secured Party as secured party.

6. Receivables; Right of Collection.

(a) The Company represents and warrants that the names of the account debtors and contract obligors, the amounts owing, the due dates and other information with respect to all Receivables are and shall be correctly stated in all material respects in

all records of the Company relating thereto and in all invoices and reports with respect thereto furnished to the Secured Party by the Company from time to time.

(b) Except as otherwise provided in this Agreement, the Company shall collect and enforce, at its expense, all amounts due or hereafter due with respect to all Receivables in accordance with applicable law and commercially reasonable practices and procedures. Promptly upon request from the Secured Party, the Company shall deliver to the Secured Party duplicate copies of all invoices rendered to account debtors in respect of all Accounts.

(c) If an Event of Default shall occur and be continuing or shall exist, the Secured Party shall have the right upon written notice to the Company to collect and dispose of all Proceeds arising from all Receivables and to apply such Proceeds to the payment of the Secured Obligations as determined in the Secured Party's sole discretion. At any time and upon such written notice to the Company, the Secured Party may (i) notify account debtors and contract obligors of the grant to and creation in favor of the Secured Party of the security interest in the Receivables and the Proceeds thereof under this Agreement, (ii) direct such account debtors and contract obligors to make any payments from time to time due in respect of any such Receivables directly to the Secured Party at such places as it directs and (iii) assume entire control over all of the Proceeds of such Receivables. The Secured Party, its officers, employees and authorized agents are hereby irrevocably appointed attorneys-in-fact of the Company to endorse any check or draft which may be payable to the Company to collect the Receivables and any Proceeds thereof, which appointment is irrevocable and coupled with an interest. Upon receipt of written notice from the Secured Party of the revocation of the Company's right of collection, the Company shall promptly remit directly to the Secured Party all Proceeds of Receivables then or subsequently in its possession, and any collections and receipts with respect to such Proceeds and Receivables shall be held in trust by the Company for the benefit of the Secured Party.

(d) The Company shall not make nor agree to make any discount, credit, rebate or other reduction in the original amount owing on any Receivable or accept in satisfaction of any Receivable less than the original amount thereof, except that prior to the occurrence of an Event of Default, the Company may in the ordinary course of business allow adjustments to the original amount owing on a Receivable in accordance with the Company's customary and commercially reasonable credit policies and collection practices in effect from time to time. Without the prior written consent of the Secured Party in each case, the Company shall not make any sale to any customer on a bill and hold, guaranteed sale, sale or return, sale on approval, consignment or any other repurchase or return basis, or re-date any invoice or make sales on extended dating beyond that customary in its industry, or otherwise change the terms of sale customarily offered to its customers. If the Company becomes aware of any event or circumstance materially detrimental to any account debtor's credit, it shall promptly advise the Secured Party thereof, and the Company shall promptly notify the Secured Party of any change in its credit policies and collection practices and shall not make any such change which the Secured Party determines in its reasonable discretion to be materially adverse to the interests of the Secured Party in the Receivables.

7. Rights in Collateral.

(a) The Company represents, warrants and covenants that it has and shall have at all times indefeasible title to all Collateral, free and clear of all liens, claims, charges and encumbrances, and the Company shall defend such title against the claims and demands of all other Persons. The Company represents and warrants that this Agreement creates a valid security interest in the Collateral which, upon filing of proper financing statements in the jurisdictions and the taking of all other steps regarding perfection specified on Schedule III attached hereto, shall constitute a valid first priority perfected lien on and security interest in the Collateral. The Company represents and warrants that all Receivables are valid, binding and enforceable in accordance with their respective terms and that no party to any Receivable is in default with respect thereto, except to the extent of allowances for uncollectible accounts reflected on the financial statements of the Company in accordance with generally accepted accounting principles consistently applied.

(b) Except for expenditures of cash in the ordinary course of business and except as otherwise expressly permitted pursuant to the Marketing Agreement, the Company shall not sell, transfer, assign, convey or otherwise dispose of, or extend, amend, terminate or otherwise modify any term or provision of, any Collateral, any interest therein or any Proceeds thereof, nor waive or release any right with respect thereto, without the prior written consent of the Secured Party.

(c) The Company assumes full responsibility for taking any and all steps to preserve its rights with respect to the Collateral against all prior parties. The Secured Party shall be deemed to have exercised reasonable care in the preservation and custody of the portion of the Collateral as may be in the Secured Party's possession if the Secured Party takes such action as the Company shall reasonably request in writing; provided that such requested action shall not, in the judgment of the Secured Party, impair the Secured Party's prior security interest in such Collateral or its rights in or the value of such Collateral, and provided further that such written request is received by the Secured Party in sufficient time to permit the Secured Party to take the requested action.

8. Records. The Company shall at all times maintain accurate and complete records with respect to each item and category of the Collateral (including, without limitation, a record of all Proceeds) and shall furnish copies of such records to the Secured Party with reasonable promptness from time to time upon the Secured Party's request.

9. Taxes and Charges. The Company shall pay and discharge all taxes, levies and other impositions levied on any Collateral, except only to the extent that such taxes, levies and other impositions shall not then be due or shall be contested in good faith by appropriate proceedings diligently conducted (provided that such reserves and other provisions as may be required by generally accepted accounting principles have been duly made and recorded). If the Company shall fail to do so, the Secured Party may (but shall not be obligated to) pay such taxes, levies or impositions for the account of the Company (without waiving or releasing any obligation or default by the Company hereunder), and the amount thereof shall be added to the Secured Obligations and shall be payable upon demand.



10. Inspection. The Secured Party and its officers, employees and agents shall have the right at all reasonable times to inspect the Collateral and to examine and make extracts from any books and records of the Company pertaining to the Collateral owned by it or in its possession. The Secured Party may at any time, without notice to the Company, verify with any account debtor of the Company the status of any account payable by such account debtor. The Company from time to time shall execute and deliver such instruments and take all such action as the Secured Party may reasonably request in order to effectuate the provisions of this Section 10.

11. Preservation and Protection of Security Interest. The Company shall diligently preserve and protect the Secured Party's security interest in the Collateral and shall, at its expense, cause such security interest in the Collateral to be perfected and continue perfected so long as the Secured Obligations or any portion thereof are outstanding and unpaid or the Secured Party is obligated to advance funds to the Company under the Marketing Agreement (including, without limitation, by means of the delivery of all instruments, documents of title and securities to the Secured Party with endorsements and documents of transfer satisfactory to the Secured Party), and for such purposes, the Company shall from time to time at the Secured Party's request and at its expense file or record, or cause to be filed or recorded, such instruments, documents and notices (including, without limitation, financing statements and continuation statements and filings to the United States Patent and Trademark Office or the United States Copyright Office) as the Secured Party may deem necessary or advisable from time to time to perfect and continue perfected such security interests. The Company shall do all such other acts and things and shall execute and deliver all such other instruments and documents (including, without limitation, further security agreements, pledge agreements, pledges, endorsements, assignments and notices) as the Secured Party may deem necessary or advisable from time to time to perfect and preserve the priority of the Secured Party's security interest in the Collateral, as a perfected security interest in the Collateral, prior to the rights of any other secured party or lien creditor, and its officers, employees and authorized agents, or any of them, are hereby irrevocably appointed the attorneys-in-fact of the Company to do, at the Company's expense, all acts and things which the Secured Party may deem necessary or advisable to preserve, perfect and continue perfected the Secured Party's security interest in the Collateral (including, without limitation, the signing of financing, continuation or other similar statements and notices on behalf of the Company), which appointment is irrevocable and coupled with an interest.

12. Federal Claims. The Company shall notify the Secured Party of any Collateral which constitutes a claim against the United States government or any instrumentality or agency thereof, the assignment of which claim is governed by federal law. Upon the request of the Secured Party, the Company shall at its expense take all actions required to comply, to the Secured Party's satisfaction, with the Assignment of Claims Act of 1940, as amended, or any similar applicable law, with respect to any such Collateral.

13. Remedies on Default. If any one or more of the Events of Default shall occur and be continuing or shall exist, the Secured Party may (i) to the full extent permitted by law, take possession and control of all or any part of the Collateral and Proceeds thereof and the books and records pertaining thereto, with or without judicial process, and (ii) without demand or notice (and if notice is required by law, after ten days prior written notice), proceed to exercise

one or more of the rights and remedies accorded to a secured party by the UCC and otherwise by law or by the terms of the Marketing Agreement or this Agreement. The Secured Party's rights and remedies shall include without limitation the power to (i) sell all or any portion of the Collateral at public or private sale at such place and time and on such terms as the Secured Party may see fit (subject to the requirements of applicable law), (ii) endorse in the appropriate name of the Company any Instrument representing Collateral, (iii) prosecute claims and legal actions regarding Accounts, other Receivables and General Intangibles, (iv) perform any agreement or contract which constitutes Collateral and (v) sell, assign, license, sublicense or otherwise dispose of, all right, title and interest in and to any General Intangibles included in the Collateral (including, without limitation, assignments, recordings, registrations and applications therefor in the United States Patent and Trademark Office, the United States Copyright Office or any similar domestic or foreign office or agency) and for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to, the foregoing, execute and deliver any and all agreements, documents, instruments of assignment or other papers necessary or advisable to effect such purpose. Without precluding any other methods of sale, the sale of Collateral shall be deemed to have been made in a commercially reasonable manner if conducted in conformity with reasonable commercial practices of secured lenders disposing of similar property, but in any event, the Secured Party may sell the Collateral on such terms as the Secured Party may choose without assuming any credit risk and without any obligation to advertise or give notice of any kind not expressly required under this Agreement, by the UCC or otherwise. All of the rights and remedies of the Secured Party under this Agreement shall be cumulative and not exclusive of other rights and remedies which it otherwise would have, whether under the Marketing Agreement, the UCC or otherwise. After the occurrence of an Event of Default, promptly upon the request of the Secured Party, the Company shall assemble so much of the Collateral (including, without limitation, all books and records relating thereto) in its possession as is capable of physical delivery and make the same available to the Secured Party at such locations designated by the Secured Party reasonably convenient to both parties and shall permit the Secured Party, or the Secured Party's representatives and agents, to enter any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral and to remove all or any part of the Collateral. The right of the Secured Party to have the Collateral assembled and made available to it is of the essence of this Agreement, and the Secured Party may, at its election, enforce such right by a bill in equity for injunctive relief for specific performance. The Secured Party shall not be under any obligation to marshal any assets in favor of the Company or any other Person or against or in payment of all or any of the Secured Obligations.

14. License of General Intangibles. For purposes of enabling the Secured Party to exercise its rights and remedies hereunder, at the Secured Party's request following the occurrence of an Event of Default, the Company hereby grants to the Secured Party an irrevocable, nonexclusive license (exercisable without payment of any royalty or other compensation to the Company) to use, assign, license or sublicense any of the Company's General Intangibles, wherever the same may be located, including in such license reasonable access to all media in which any of the General Intangibles may be recorded or stored and to all computer programs used for the compilation or printout thereof; provided that the Secured Party shall comply with all reasonable quality control standards and trademark use requirements of the Company. No agreements hereafter acquired or agreed to or entered into by the Company shall prohibit, restrict or impair the rights granted to the Secured Party hereunder. Notwithstanding

the foregoing, the Secured Party shall have no obligations or liabilities regarding any or all of the Company's General Intangibles by reason of, or arising out of, this Agreement.

15. Application of Proceeds. Any Collateral or Proceeds of the Collateral held, received or realized upon at any time by the Secured Party shall be applied as follows:

- (a) First, to reimburse the Secured Party for expenses and fees incurred for which the Company is obligated to pay the Secured Party under and in accordance with the Marketing Agreement (including, without limitation, reasonable attorneys' fees and other legal expenses);
- (b) Second, the satisfaction of all other Secured Obligations; and
- (c) Third, the balance, if any, to the Company or as otherwise required by law.

If the Proceeds of the Collateral together with the proceeds of any other collateral granted to the Secured Party by the Company to secure the Secured Obligations, and of any sales or other dispositions thereof, shall be insufficient to fully discharge and satisfy the Secured Obligations, the Company shall be liable for the deficiency, and if a surplus results after lawful application of such proceeds, the Company shall be entitled to a pro rata share of any such surplus.

16. Continuing Validity of Obligations.

(a) The agreements and obligations of the Company hereunder are continuing agreements and obligations and are absolute and unconditional irrespective of the genuineness, validity or enforceability of any of the Marketing Agreement evidencing the Secured Obligations or any part thereof or of the Marketing Agreement, this Agreement or any other agreement or agreements now or hereafter entered into by the Secured Party and the Company pursuant to which the Secured Obligations or any part thereof is issued or of any other circumstance which might otherwise constitute a legal or equitable discharge of such agreements and obligations other than payment in full of the Secured Obligations.

(b) Without limitation upon the foregoing, such agreements and obligations shall continue in full force and effect as long as the Secured Obligations or any part thereof remains outstanding and unpaid or any commitment of the Secured Party to the Company has not been terminated and shall remain in full force and effect without regard to and shall not be released, discharged or in any way affected by (i) any renewal, refinancing or refunding of the Secured Obligations in whole or in part, (ii) any extension of the time of payment of the Secured Obligations or any part thereof, (iii) any compromise or settlement with respect to the Secured Obligations or any part thereof, or any forbearance or indulgence extended to the Company, (iv) any amendment to or modification of the terms of the Marketing Agreement or other instrument or instruments now or hereafter evidencing the Secured Obligations or any part thereof or any other agreement or agreements now or hereafter entered into by the Secured Party and the Company pursuant to which the Secured Obligations or any part thereof is issued or secured, (v) any substitution, exchange or release of, or failure to preserve, perfect or

protect, or other dealing in respect of, the Collateral or any other property or any security for the payment of the Secured Obligations or any part thereof, (vi) any bankruptcy, insolvency, arrangement, composition, assignment for the benefit of creditors or similar proceeding commenced by or against the Company or (vii) any other matter or thing whatsoever whereby the agreements and obligations of the Company hereunder would or might otherwise be released or discharged other than payment in full of the Secured Obligations. The Company hereby waives notice of the acceptance of this Agreement by the Secured Party.

(c) To the extent that the Company makes a payment or payments to the Secured Party or the Secured Party receives any payment or proceeds of the Collateral, which payment or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to the Company or a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause of action, then, to the extent of such payment or proceeds, the Secured Obligations or portion thereof intended to be satisfied and this Agreement shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by such party.

17. Termination. This Agreement shall terminate if:

(a) the Parent raises an aggregate of at least \$7,000,000 through the issuance and sale of debt or equity securities prior to January 31, 2002; provided that the Company and the Parent have made all of their required payments under the Marketing Agreement; or

(b) the Parent obtains and delivers to Net2Phone, Inc. an irrevocable letter of credit in the aggregate face amount of \$850,000 in favor of Net2Phone, Inc. as beneficiary, and such letter of credit shall not be released by Net2Phone, Inc. until the Company and the Parent have made all of their required payments under the Marketing Agreement.

18. Indemnification and Expenses. The Company shall indemnify and hold harmless the Secured Party from and against any and all claims and losses arising out of or attributable to this Agreement and the granting to the Secured Party of a security interest and lien in the Collateral hereunder, except claims and losses arising from the Secured Party's breach hereof or the Secured Party's gross negligence or willful misconduct. The Company shall pay the Secured Party on demand the amount of any out-of-pocket expenses (including, without limitation, reasonable attorneys' fees and other legal expenses) incurred by the Secured Party in connection with the enforcement of this Agreement.

19. Specific Performance. In addition to all other rights and remedies granted to the Secured Party in this Agreement and the Marketing Agreement, the Secured Party shall be entitled to specific performance and injunctive and other equitable relief, and the Company waives any requirement for the securing or posting of any bond or other security in connection with the obtaining of any such specific performance and injunctive or other equitable relief.

20. Amendments and Waivers. The provisions of this Agreement may be amended or waived only upon the prior written consent of the Company and the Secured Party.

21. Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered personally to the recipient, sent to the recipient by reputable overnight courier service (charges prepaid) or mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid. Such notices, demands and other communications shall be sent to the appropriate parties at the address indicated below:

If to the Company:

internetreports.com, Inc.  
15301 Dallas Parkway, Suite 1110, LB - 41  
Addison, Texas 75001  
Attention: Chief Financial Officer

with a copy to:

Akin, Gump, Strauss, Hauer & Feld, L.L.P.  
1700 Pacific Avenue  
Suite 4100  
Dallas, TX 75201-4618  
Attention: Michael Tarski

If to the Secured Party;

Net2Phone, Inc.  
520 Broad Street  
Newark, NJ 07102  
Attention: General Counsel

with a copy (which copy shall not constitute notice) to:

Kirkland & Ellis  
Citigroup Center  
153 East 53rd Street  
New York, NY 10022  
Attention: Daniel J. Eisner, Esq.

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

\* \* \* \* \*

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

INTERNETREPORTS.COM, INC.,  
a Texas corporation

By: Cindy Brown  
Title: CFO  
Address: 15301 Dallas Parkway  
Suite 1110, LB-41  
Addison, TX 75001

NET2PHONE, INC. a Delaware corporation

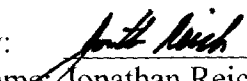
By: \_\_\_\_\_  
Name:  
Title:  
Address: 520 Broad Street  
Newark, NJ 07102

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

INTERNETREPORTS.COM, INC.,  
a Texas corporation

By: \_\_\_\_\_  
Title:  
Address: 15301 Dallas Parkway  
Suite 1110, LB-41  
Addison, TX 75001

NET2PHONE, INC. a Delaware  
corporation

By:  \_\_\_\_\_  
Name: Jonathan Reich  
Title: Executive Vice President of  
Corporate Development and Marketing  
Address: 520 Broad Street  
Newark, NJ 07102

**SCHEDULE I**

**A. Other names Used**

ithought.com

**B. Corporate Reorganizations, etc.:**

None known

**C. Record Locations:**

Offices of Clipscom, Inc.  
15301 Dallas Parkway  
Suite 1150, LB-41  
Addison, TX 75001



**SCHEDULE II**

**A. PATENTS AND PATENT APPLICATIONS**

**U.S. Patents Pending**

<u>Serial No.</u>	<u>Filing Date</u>
09/538887	March 30, 2000
09/539100	March 30, 2000
09/539101	March 30, 2000

**B. PENDING OR REGISTERED TRADEMARKS FOR INTERNETREPORTS.COM**

**INTELLIQPON**

United States – Pending                      Class 42      Filed 10/4/00, App. No. 76/140262

**THE YELLOW PAGES POWERED BY CONSUMER OPINION**

United States – Pending                      Class 42      Filed 12/13/99, App. No. 75/926832

**BUILDING THE YELLOW PAGES OF THE FUTURE**

United States - Pending                      Class 42      Filed 9/03/99, App. No. 75/906987

**ITHOUGHT.COM**

United States - Pending                      Class 42      Filed 9/03/99, App. No. 75/796092

**YOUR NEIGHBORHOOD VOICE**

United States - Pending                      Class 42      Filed 9/03/99, App. No. 75/796091

**UNREGISTERED MARKS**

internetreports.com  
EZQuote  
IQpons  
My ithought

**Domain names owned by internetreports.com Inc. (or its predecessor internetreports.com LLC),  
d/b/a/ithought.com**

internetreports.com  
ithought.com  
tienet.org  
rateit.net  
bywordofmouth.net  
internetreports.net  
internetreports.org  
consumerpages.net  
consumerpages.com

**C. REGISTERED AND UNREGISTERED COPYRIGHTS AND COPYRIGHT APPLICATIONS:**

None known