

04-09-2001

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027



101658267

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

MKD
76/023361

4/9/01

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment
- License
- Security Agreement
- Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other
- Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

RECORDED
APR 11 2001
15

04/09/2001 06:11:14 000014 76023561

01 FC:481 40.00 DP
02 FC:482 200.00 DP

FOR OFFICE USE ONLY

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text" value="76023361"/>	<input type="text" value="76023360"/>	<input type="text" value="75932396"/>
<input type="text" value="75904154"/>	<input type="text" value="75826799"/>	<input type="text" value="75810906"/>
<input type="text" value="75768625"/>	<input type="text" value="75758314"/>	<input type="text" value="75729382"/>

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Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

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. Charges to deposit account are authorized, as indicated herein.

Mark Hartwell

4/4/01

Name of Person Signing

Signature

Date Signed

RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY

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U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

Conveying Party

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Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

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State/Country

Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

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THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR QUALIFIED UNDER APPLICABLE STATE SECURITIES LAWS AND HAVE BEEN TAKEN FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH ANY DISTRIBUTION THEREOF. THE SECURITIES MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION AND QUALIFICATION WITHOUT, EXCEPT UNDER CERTAIN SPECIFIC LIMITED CIRCUMSTANCES, AN OPINION OF COUNSEL FOR THE HOLDER, CONCURRED IN BY COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION AND QUALIFICATION ARE NOT REQUIRED.

CONVERTIBLE SUBORDINATED PROMISSORY NOTE

\$72,901.00

San Bruno, California
February 13, 2001

1. Principal and Interest.

(a) SpotOn, Inc. (the "Company"), a California corporation, for value received, hereby promises to pay to the order of VantagePoint Communications Partners, L.P. or holder (the "Holder") in lawful money of the United States at the address of the Holder set forth below, the principal amount of Seventy Two Thousand Nine Hundred One Dollars exactly (\$72,901.00), together with simple interest at the rate of eight percent (8%) per annum.

(b) The principal of and accrued interest on this Note is due and payable immediately upon written demand for such payment. This Note may be prepaid without penalty, in whole or in part, at any time.

(c) Upon payment in full of all principal and interest payable hereunder, this Note shall be surrendered to Company for cancellation.

2. Security Interest.

(a) The Company hereby pledges and grants to the Holder a security interest in the Collateral (as defined below) to secure payment and performance of the obligations of the Company to the Holder under this Note. The "Collateral" shall consist of (i) all tangible and intangible assets of the Company, whether now owned or hereafter acquired, including, without limitation, any accounts receivable, inventory, deposits, equipment and any patent, copyright, trademark or other intellectual property rights of the Company and (ii) all Proceeds (as defined below) of the assets described in clause (i) of this subsection (a). "Proceeds" includes whatever is receivable or received when the Collateral or Proceeds is sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, all rights to payment, including return premiums, with respect to any insurance relating thereto. At the request of the Holder, the Company agrees and covenants to use commercially reasonable efforts

to procure, execute and deliver from time to time any endorsements, assignments, financing statements and other writings deemed necessary or appropriate by the Holder to perfect, maintain and protect its security interest and the priority thereof.

(b) Upon either (i) the Company's repayment of the outstanding principal balance of this Note and all interest accrued and unpaid thereon or (ii) the conversion of this Note pursuant to Section 3, the Holder agrees and covenants that it will execute and deliver any agreement, financing statement termination or other writings necessary to release the security interest granted pursuant to Section 2(a). Notwithstanding the foregoing, indebtedness evidenced by this Note is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, in right of payment to the prior payment in full of all of the Company's Senior Indebtedness. "Senior Indebtedness" shall mean the principal of and unpaid interest and premium, if any, on (i) indebtedness of the Company or with respect to which the Company is a guarantor, whether outstanding on the date hereof or hereafter created, to banks, insurance companies or other lending or thrift institutions regularly engaged in the business of lending money, whether or not secured and (ii) any deferrals, renewals or extensions or any debentures, notes or other evidence of indebtedness issued in exchange for such Senior Indebtedness.

Upon any receivership, insolvency, assignment for the benefit of creditors, bankruptcy, reorganization, or arrangement with creditors (whether or not pursuant to bankruptcy or other insolvency laws), sale of all or substantially all of the assets, dissolution, liquidation, or any other marshaling of the assets and liabilities of the Company or in the event this Note shall be declared due and payable, (i) no amount shall be paid by the Company, whether in cash or property in respect of the principal of or interest on this Note at the time outstanding, unless and until the full amount of any Senior Indebtedness then outstanding shall be paid in full, and (ii) no claim or proof of claim shall be filed with the Company by or on behalf of the holder of this Note which shall assert any right to receive any payments in respect of the principal of and interest on this Note except subject to the payment in full all of the Senior Indebtedness then outstanding.

If an event of default has occurred with respect to any Senior Indebtedness, permitting the holder thereof to accelerate the maturity thereof, then unless and until such event of default shall have been cured or waived or shall have ceased to exist, or all Senior Indebtedness shall have been paid in full, no payment shall be made in respect of the principal of or interest on this Note.

3. Conversion.

(a) Optional Conversion. At the sole election of the Holder, the outstanding principal balance of this Note and all interest accrued and unpaid thereon shall be converted upon the earlier of: (i) the closing of the Company's Next Financing (as defined below) into the securities (the "Securities") issued in the Next Financing at a per share price equal to the product of .50 multiplied by the purchase price paid for the Securities by the investors in the Next Financing and with the same rights, preferences, privileges and restrictions as the Securities issued in the Next Financing or (ii) immediately prior to a Change of Control Transaction (as defined below) into shares of the Company's Series B Preferred Stock at a per share price equal to the product of .50 multiplied by the per share consideration to be received by a Holder of Series B Preferred Stock in the Change of Control Transaction. A "**Next Financing**" is the next transaction (or series of related transactions)

after the date hereof in which the Company sells shares of its capital stock (or securities convertible into or exercisable for shares of its capital stock). "**Change of Control**" means the consummation of any transaction or series of related transactions that results in the holders of record of the Company's capital stock immediately prior to the transaction or transactions holding less than fifty percent (50%) of the voting power of the Company immediately after the transaction or transactions, including the acquisition of the Company by another entity and any reorganization, merger, consolidation or share exchange, or which results in the sale of all or substantially all of the assets of the Company.

(b) Mechanics of Conversion. Upon the Holder's election to convert this Note, the outstanding principal and accrued interest of the Note shall be converted without any further action by the Holder and whether or not the Note is surrendered to the Company or its transfer agent. The Company shall not be obligated to issue certificates evidencing the shares of the securities issuable upon conversion unless such Note is either delivered to the Company or its transfer agent, or the Holder notifies the Company or its transfer agent that such Note has been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such Note. The Company shall, as soon as practicable after such delivery, or such agreement and indemnification, issue and deliver at such office to such holder of such Note, a certificate or certificates for the number of Securities to which the Holder shall be entitled and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of the Securities. Such conversion shall be deemed to have been made immediately prior to the closing of the Next Financing. The person or persons entitled to receive the Securities issuable upon such conversion shall be treated for all purposes as the record holder or holders of such securities on such date.

4. Attorneys Fees. If the indebtedness represented by this Note or any part thereof is collected in bankruptcy, receivership or other judicial proceedings or if this Note is placed in the hands of attorneys for collection after default, the Company agrees to pay, in addition to the principal and interest payable hereunder, reasonable attorneys' fees and costs incurred by the Holder.

5. Notices. All notices and other communications required or permitted hereunder shall be in writing and may be delivered in person or by facsimile, electronic mail, or overnight courier, addressed (a) if to the Holder, at the address set forth for the Holder on the signature page hereto, or at such other address as such Holder shall have furnished to the Company in writing, or (b) if to the Company, to its address set forth on the signature page of this Note and addressed to the attention of the Secretary, or at such other address as the Company shall have furnished to the Holder. All such notices and other communications shall be deemed given upon personal delivery, upon confirmation of facsimile transfer or upon confirmation of electronic mail transmission or upon delivery by courier.

6. Governing Law. This Agreement shall be governed by and construed under the internal laws of the State of Delaware without reference to principles of conflict of law or choice of laws.

7. No Personal Liability. In no event shall any officer of the Company be personally liable for any amount due hereunder.

SPOTON, INC.

By: Philip Copeland

Name: PHILIP COPELAND

Its: CEO

Address: 1633 Bayshore Highway
Suite 234
Burlingame, CA 94010

Agreed and Accepted:

VANTAGEPOINT COMMUNICATIONS PARTNERS, L.P.

By: VantagePoint Communications Associates, L.L.C.,
Its General Partner

By: _____

Name: _____

Title: Managing Member

Address: 1001 Bayhill Drive, Suite 100
San Bruno, CA 94066

72,901.00

SPOTON, INC.

By: _____

Name: _____

Its: _____

Address: 1633 Bayshore Highway
Suite 234
Burlingame, CA 94010

Agreed and Accepted:

VANTAGEPOINT COMMUNICATIONS PARTNERS, L.P.

By: VantagePoint Communications Associates, L.L.C.,

Its General Partner

By:  _____

Name: Alan E. Sutzman

Title: Managing Member

Address: 1001 Bayhill Drive, Suite 100
San Bruno, CA 94066

THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR QUALIFIED UNDER APPLICABLE STATE SECURITIES LAWS AND HAVE BEEN TAKEN FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH ANY DISTRIBUTION THEREOF. THE SECURITIES MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION AND QUALIFICATION WITHOUT, EXCEPT UNDER CERTAIN SPECIFIC LIMITED CIRCUMSTANCES, AN OPINION OF COUNSEL FOR THE HOLDER, CONCURRED IN BY COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION AND QUALIFICATION ARE NOT REQUIRED.

CONVERTIBLE SUBORDINATED PROMISSORY NOTE

\$16,054.00

San Bruno, California
February 13, 2001

1. Principal and Interest.

(a) SpotOn, Inc. (the "Company"), a California corporation, for value received, hereby promises to pay to the order of VantagePoint Venture Partners III, L.P. or holder (the "Holder") in lawful money of the United States at the address of the Holder set forth below, the principal amount of Sixteen Thousand Fifty Four Dollars exactly (\$16,054.00), together with simple interest at the rate of eight percent (8%) per annum.

(b) The principal of and accrued interest on this Note is due and payable immediately upon written demand for such payment. This Note may be prepaid without penalty, in whole or in part, at any time.

(c) Upon payment in full of all principal and interest payable hereunder, this Note shall be surrendered to Company for cancellation.

2. Security Interest.

(a) The Company hereby pledges and grants to the Holder a security interest in the Collateral (as defined below) to secure payment and performance of the obligations of the Company to the Holder under this Note. The "Collateral" shall consist of (i) all tangible and intangible assets of the Company, whether now owned or hereafter acquired, including, without limitation, any accounts receivable, inventory, deposits, equipment and any patent, copyright, trademark or other intellectual property rights of the Company and (ii) all Proceeds (as defined below) of the assets described in clause (i) of this subsection (a). "Proceeds" includes whatever is receivable or received when the Collateral or Proceeds is sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, all rights to payment, including return premiums, with respect to any insurance relating thereto. At the request of the Holder, the Company agrees and covenants to use commercially reasonable efforts

to procure, execute and deliver from time to time any endorsements, assignments, financing statements and other writings deemed necessary or appropriate by the Holder to perfect, maintain and protect its security interest and the priority thereof.

(b) Upon either (i) the Company's repayment of the outstanding principal balance of this Note and all interest accrued and unpaid thereon or (ii) the conversion of this Note pursuant to Section 3, the Holder agrees and covenants that it will execute and deliver any agreement, financing statement termination or other writings necessary to release the security interest granted pursuant to Section 2(a). Notwithstanding the foregoing, indebtedness evidenced by this Note is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, in right of payment to the prior payment in full of all of the Company's Senior Indebtedness. "Senior Indebtedness" shall mean the principal of and unpaid interest and premium, if any, on (i) indebtedness of the Company or with respect to which the Company is a guarantor, whether outstanding on the date hereof or hereafter created, to banks, insurance companies or other lending or thrift institutions regularly engaged in the business of lending money, whether or not secured and (ii) any deferrals, renewals or extensions or any debentures, notes or other evidence of indebtedness issued in exchange for such Senior Indebtedness.

Upon any receivership, insolvency, assignment for the benefit of creditors, bankruptcy, reorganization, or arrangement with creditors (whether or not pursuant to bankruptcy or other insolvency laws), sale of all or substantially all of the assets, dissolution, liquidation, or any other marshaling of the assets and liabilities of the Company or in the event this Note shall be declared due and payable, (i) no amount shall be paid by the Company, whether in cash or property in respect of the principal of or interest on this Note at the time outstanding, unless and until the full amount of any Senior Indebtedness then outstanding shall be paid in full, and (ii) no claim or proof of claim shall be filed with the Company by or on behalf of the holder of this Note which shall assert any right to receive any payments in respect of the principal of and interest on this Note except subject to the payment in full all of the Senior Indebtedness then outstanding.

If an event of default has occurred with respect to any Senior Indebtedness, permitting the holder thereof to accelerate the maturity thereof, then unless and until such event of default shall have been cured or waived or shall have ceased to exist, or all Senior Indebtedness shall have been paid in full, no payment shall be made in respect of the principal of or interest on this Note.

3. Conversion.

(a) Optional Conversion. At the sole election of the Holder, the outstanding principal balance of this Note and all interest accrued and unpaid thereon shall be converted upon the earlier of: (i) the closing of the Company's Next Financing (as defined below) into the securities (the "Securities") issued in the Next Financing at a per share price equal to the product of .50 multiplied by the purchase price paid for the Securities by the investors in the Next Financing and with the same rights, preferences, privileges and restrictions as the Securities issued in the Next Financing or (ii) immediately prior to a Change of Control Transaction (as defined below) into shares of the Company's Series B Preferred Stock at a per share price equal to the product of .50 multiplied by the per share consideration to be received by a Holder of Series B Preferred Stock in the Change of Control Transaction. A "**Next Financing**" is the next transaction (or series of related transactions)

after the date hereof in which the Company sells shares of its capital stock (or securities convertible into or exercisable for shares of its capital stock). “**Change of Control**” means the consummation of any transaction or series of related transactions that results in the holders of record of the Company's capital stock immediately prior to the transaction or transactions holding less than fifty percent (50%) of the voting power of the Company immediately after the transaction or transactions, including the acquisition of the Company by another entity and any reorganization, merger, consolidation or share exchange, or which results in the sale of all or substantially all of the assets of the Company.

(b) Mechanics of Conversion. Upon the Holder's election to convert this Note, the outstanding principal and accrued interest of the Note shall be converted without any further action by the Holder and whether or not the Note is surrendered to the Company or its transfer agent. The Company shall not be obligated to issue certificates evidencing the shares of the securities issuable upon conversion unless such Note is either delivered to the Company or its transfer agent, or the Holder notifies the Company or its transfer agent that such Note has been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such Note. The Company shall, as soon as practicable after such delivery, or such agreement and indemnification, issue and deliver at such office to such holder of such Note, a certificate or certificates for the number of Securities to which the Holder shall be entitled and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of the Securities. Such conversion shall be deemed to have been made immediately prior to the closing of the Next Financing. The person or persons entitled to receive the Securities issuable upon such conversion shall be treated for all purposes as the record holder or holders of such securities on such date.

4. Attorneys Fees. If the indebtedness represented by this Note or any part thereof is collected in bankruptcy, receivership or other judicial proceedings or if this Note is placed in the hands of attorneys for collection after default, the Company agrees to pay, in addition to the principal and interest payable hereunder, reasonable attorneys' fees and costs incurred by the Holder.

5. Notices. All notices and other communications required or permitted hereunder shall be in writing and may be delivered in person or by facsimile, electronic mail, or overnight courier, addressed (a) if to the Holder, at the address set forth for the Holder on the signature page hereto, or at such other address as such Holder shall have furnished to the Company in writing, or (b) if to the Company, to its address set forth on the signature page of this Note and addressed to the attention of the Secretary, or at such other address as the Company shall have furnished to the Holder. All such notices and other communications shall be deemed given upon personal delivery, upon confirmation of facsimile transfer or upon confirmation of electronic mail transmission or upon delivery by courier.

6. Governing Law. This Agreement shall be governed by and construed under the internal laws of the State of Delaware without reference to principles of conflict of law or choice of laws.

7. No Personal Liability. In no event shall any officer of the Company be personally liable for any amount due hereunder.

SPOTON, INC.

By: Philip Copeiland
Name: CEO PHILIP COPEILAND
Its: CEO

Address: 1633 Bayshore Highway
Suite 234
Burlingame, CA 94010

Agreed and Accepted:

VANTAGEPOINT VENTURE PARTNERS III, L.P.
By: VantagePoint Venture Associates III, L.L.C.,
Its General Partner

By: _____

Name: _____

Title: Managing Member

Address: 1001 Bayhill Drive, Suite 100
San Bruno, CA 94066

SPOTON, INC.

By: _____

Name: _____

Its: _____

Address: 1633 Bayshore Highway
Suite 234
Burlingame, CA 94010

Agreed and Accepted:

VANTAGEPOINT VENTURE PARTNERS III, L.P.

By: VantagePoint Venture Associates III, L.L.C.,

Its General Partner



By: _____

Name: Alan E. Salzman

Title: Managing Member

Address: 1001 Bayhill Drive, Suite 100
San Bruno, CA 94066

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CONVERTIBLE SUBORDINATED PROMISSORY NOTE

\$129,770.00

San Bruno, California

February 13, 2001

1. Principal and Interest.

(a) SpotOn, Inc. (the "Company"), a California corporation, for value received, hereby promises to pay to the order of VantagePoint Venture Partners III (Q), L.P. or holder (the "Holder") in lawful money of the United States at the address of the Holder set forth below, the principal amount of One Hundred Twenty Nine Thousand Seven Hundred Seventy Dollars exactly (\$129,770.00), together with simple interest at the rate of eight percent (8%) per annum.

(b) The principal of and accrued interest on this Note is due and payable immediately upon written demand for such payment. This Note may be prepaid without penalty, in whole or in part, at any time.

(c) Upon payment in full of all principal and interest payable hereunder, this Note shall be surrendered to Company for cancellation.

2. Security Interest.

(a) The Company hereby pledges and grants to the Holder a security interest in the Collateral (as defined below) to secure payment and performance of the obligations of the Company to the Holder under this Note. The "Collateral" shall consist of (i) all tangible and intangible assets of the Company, whether now owned or hereafter acquired, including, without limitation, any accounts receivable, inventory, deposits, equipment and any patent, copyright, trademark or other intellectual property rights of the Company and (ii) all Proceeds (as defined below) of the assets described in clause (i) of this subsection (a). "Proceeds" includes whatever is receivable or received when the Collateral or Proceeds is sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, all rights to payment, including return premiums, with respect to any insurance relating thereto. At the request of the Holder, the Company agrees and covenants to use commercially reasonable efforts

to procure, execute and deliver from time to time any endorsements, assignments, financing statements and other writings deemed necessary or appropriate by the Holder to perfect, maintain and protect its security interest and the priority thereof.

(b) Upon either (i) the Company's repayment of the outstanding principal balance of this Note and all interest accrued and unpaid thereon or (ii) the conversion of this Note pursuant to Section 3, the Holder agrees and covenants that it will execute and deliver any agreement, financing statement termination or other writings necessary to release the security interest granted pursuant to Section 2(a). Notwithstanding the foregoing, indebtedness evidenced by this Note is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, in right of payment to the prior payment in full of all of the Company's Senior Indebtedness. "Senior Indebtedness" shall mean the principal of and unpaid interest and premium, if any, on (i) indebtedness of the Company or with respect to which the Company is a guarantor, whether outstanding on the date hereof or hereafter created, to banks, insurance companies or other lending or thrift institutions regularly engaged in the business of lending money, whether or not secured and (ii) any deferrals, renewals or extensions or any debentures, notes or other evidence of indebtedness issued in exchange for such Senior Indebtedness.

Upon any receivership, insolvency, assignment for the benefit of creditors, bankruptcy, reorganization, or arrangement with creditors (whether or not pursuant to bankruptcy or other insolvency laws), sale of all or substantially all of the assets, dissolution, liquidation, or any other marshaling of the assets and liabilities of the Company or in the event this Note shall be declared due and payable, (i) no amount shall be paid by the Company, whether in cash or property in respect of the principal of or interest on this Note at the time outstanding, unless and until the full amount of any Senior Indebtedness then outstanding shall be paid in full, and (ii) no claim or proof of claim shall be filed with the Company by or on behalf of the holder of this Note which shall assert any right to receive any payments in respect of the principal of and interest on this Note except subject to the payment in full all of the Senior Indebtedness then outstanding.

If an event of default has occurred with respect to any Senior Indebtedness, permitting the holder thereof to accelerate the maturity thereof, then unless and until such event of default shall have been cured or waived or shall have ceased to exist, or all Senior Indebtedness shall have been paid in full, no payment shall be made in respect of the principal of or interest on this Note.

3. Conversion.

(a) Optional Conversion. At the sole election of the Holder, the outstanding principal balance of this Note and all interest accrued and unpaid thereon shall be converted upon the earlier of: (i) the closing of the Company's Next Financing (as defined below) into the securities (the "Securities") issued in the Next Financing at a per share price equal to the product of .50 multiplied by the purchase price paid for the Securities by the investors in the Next Financing and with the same rights, preferences, privileges and restrictions as the Securities issued in the Next Financing or (ii) immediately prior to a Change of Control Transaction (as defined below) into shares of the Company's Series B Preferred Stock at a per share price equal to the product of .50 multiplied by the per share consideration to be received by a Holder of Series B Preferred Stock in the Change of Control Transaction. A "**Next Financing**" is the next transaction (or series of related transactions)

after the date hereof in which the Company sells shares of its capital stock (or securities convertible into or exercisable for shares of its capital stock). "**Change of Control**" means the consummation of any transaction or series of related transactions that results in the holders of record of the Company's capital stock immediately prior to the transaction or transactions holding less than fifty percent (50%) of the voting power of the Company immediately after the transaction or transactions, including the acquisition of the Company by another entity and any reorganization, merger, consolidation or share exchange, or which results in the sale of all or substantially all of the assets of the Company.

(b) Mechanics of Conversion. Upon the Holder's election to convert this Note, the outstanding principal and accrued interest of the Note shall be converted without any further action by the Holder and whether or not the Note is surrendered to the Company or its transfer agent. The Company shall not be obligated to issue certificates evidencing the shares of the securities issuable upon conversion unless such Note is either delivered to the Company or its transfer agent, or the Holder notifies the Company or its transfer agent that such Note has been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such Note. The Company shall, as soon as practicable after such delivery, or such agreement and indemnification, issue and deliver at such office to such holder of such Note, a certificate or certificates for the number of Securities to which the Holder shall be entitled and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of the Securities. Such conversion shall be deemed to have been made immediately prior to the closing of the Next Financing. The person or persons entitled to receive the Securities issuable upon such conversion shall be treated for all purposes as the record holder or holders of such securities on such date.

4. Attorneys Fees. If the indebtedness represented by this Note or any part thereof is collected in bankruptcy, receivership or other judicial proceedings or if this Note is placed in the hands of attorneys for collection after default, the Company agrees to pay, in addition to the principal and interest payable hereunder, reasonable attorneys' fees and costs incurred by the Holder.

5. Notices. All notices and other communications required or permitted hereunder shall be in writing and may be delivered in person or by facsimile, electronic mail, or overnight courier, addressed (a) if to the Holder, at the address set forth for the Holder on the signature page hereto, or at such other address as such Holder shall have furnished to the Company in writing, or (b) if to the Company, to its address set forth on the signature page of this Note and addressed to the attention of the Secretary, or at such other address as the Company shall have furnished to the Holder. All such notices and other communications shall be deemed given upon personal delivery, upon confirmation of facsimile transfer or upon confirmation of electronic mail transmission or upon delivery by courier.

6. Governing Law. This Agreement shall be governed by and construed under the internal laws of the State of Delaware without reference to principles of conflict of law or choice of laws.

7. No Personal Liability. In no event shall any officer of the Company be personally liable for any amount due hereunder.

SPOTON, INC.

By: Philip Copeland

Name: PHILIP COPELAND

Its: CEO

Address: 1633 Bayshore Highway
Suite 234
Burlingame, CA 94010

Agreed and Accepted:

VANTAGEPOINT VENTURE PARTNERS III (Q), L.P.

By: VantagePoint Venture Associates III, L.L.C.,
Its General Partner

By: _____

Name: _____

Title: Managing Member

Address: 1001 Bayhill Drive, Suite 100
San Bruno, CA 94066

SPOTON, INC.

By: _____

Name: _____

Its: _____

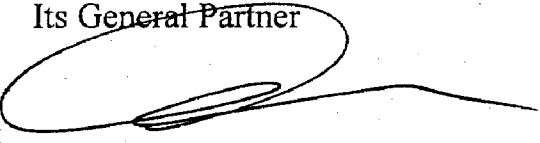
Address: 1633 Bayshore Highway
Suite 234
Burlingame, CA 94010

Agreed and Accepted:

VANTAGEPOINT VENTURE PARTNERS III (Q), L.P.

By: VantagePoint Venture Associates III, L.L.C.,

Its General Partner

By:  _____

Name: Alan E. Sutzman

Title: Managing Member

Address: 1001 Bayhill Drive, Suite 100
San Bruno, CA 94066

THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR QUALIFIED UNDER APPLICABLE STATE SECURITIES LAWS AND HAVE BEEN TAKEN FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH ANY DISTRIBUTION THEREOF. THE SECURITIES MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION AND QUALIFICATION WITHOUT, EXCEPT UNDER CERTAIN SPECIFIC LIMITED CIRCUMSTANCES, AN OPINION OF COUNSEL FOR THE HOLDER, CONCURRED IN BY COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION AND QUALIFICATION ARE NOT REQUIRED.

CONVERTIBLE SUBORDINATED PROMISSORY NOTE

\$89,275.00

San Bruno, California
February 13, 2001

1. Principal and Interest.

(a) SpotOn, Inc. (the "Company"), a California corporation, for value received, hereby promises to pay to the order of A & B Venture Fund Company Pty Ltd. or holder (the "Holder") in lawful money of the United States at the address of the Holder set forth below, the principal amount of Eighty Nine Thousand Two Hundred Seventy Five Dollars exactly (\$89,275.00), together with simple interest at the rate of eight percent (8%) per annum.

(b) The principal of and accrued interest on this Note is due and payable immediately upon written demand for such payment. This Note may be prepaid without penalty, in whole or in part, at any time.

(c) Upon payment in full of all principal and interest payable hereunder, this Note shall be surrendered to Company for cancellation.

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to procure, execute and deliver from time to time any endorsements, assignments, financing statements and other writings deemed necessary or appropriate by the Holder to perfect, maintain and protect its security interest and the priority thereof.

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Upon any receivership, insolvency, assignment for the benefit of creditors, bankruptcy, reorganization, or arrangement with creditors (whether or not pursuant to bankruptcy or other insolvency laws), sale of all or substantially all of the assets, dissolution, liquidation, or any other marshaling of the assets and liabilities of the Company or in the event this Note shall be declared due and payable, (i) no amount shall be paid by the Company, whether in cash or property in respect of the principal of or interest on this Note at the time outstanding, unless and until the full amount of any Senior Indebtedness then outstanding shall be paid in full, and (ii) no claim or proof of claim shall be filed with the Company by or on behalf of the holder of this Note which shall assert any right to receive any payments in respect of the principal of and interest on this Note except subject to the payment in full all of the Senior Indebtedness then outstanding.

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7. No Personal Liability. In no event shall any officer of the Company be personally liable for any amount due hereunder.

SPOTON, INC.

By: Philip Copeland
Name: PHILIP COPELAND
Its: CEO

Address: 1633 Bayshore Highway
Suite 234
Burlingame, CA 94010

Agreed and Accepted:

A & B VENTURE FUND COMPANY PTY LTD.
(ACN 072 826 109)
By: A & B Investment Management Pty Ltd.
(ACN 078 039 559)

By: _____
Name: _____
Title: _____

Address: 11 Scorpio Place
Bridgeman Downs, QLD 4035
AUSTRALIA

SPOTON, INC.

By: _____

Name: _____

Its: _____

Address: 1633 Bayshore Highway
Suite 234
Burlingame, CA 94010

Agreed and Accepted:

A & B VENTURE FUND COMPANY PTY LTD.
(ACN 072 826 109)

By: A & B Investment Management Pty Ltd.
(ACN 078 039 559)

By:  _____

Name: ROBERT J. CHRISTENSEN

Title: DIRECTOR + AUTHORIZED SIGNATORY

Address: 11 Scorpio Place
Bridgeman Downs, QLD 4035
AUSTRALIA