

09-20-2002



102228187

CORDATION FORM COVER SHEET
TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):

VXI Corporation

09.18.02

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

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

3. Nature of conveyance:

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

Execution Date: _____

2. Name and address of receiving party(ies)

Name: Business Alliance Capital Corp.

Internal Address: Attn: Alan Wiener

Street Address: 214 Carnegie Center, Suite 302

City: Princeton State: NJ Zip: 08540

- 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

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

A. Trademark Application No.(s)
75/469,759

B. Trademark Registration No.(s)
2,314,491 2,448,108
1,886,571 2,344,933
2,398,354

Additional number(s) attached Yes No

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

Name: Alan Wiener

Internal Address: _____

Business Alliance Capital Corp.

Street Address: 214 Carnegie Center, Suite 302

City: Princeton State: NJ Zip: 08540

6. Total number of applications and registrations involved: _____

6

7. Total fee (37 CFR 3.41).....\$ 165.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: _____

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

DO NOT USE THIS SPACE

9. Statement and signature.

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

James J Brault

Name of Person Signing

[Signature]

Signature

9/12/02

Date

09/19/2002 DBYRNE 00000168 75469759

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

01 FC:481
02 FC:482

40.00 Documents to be recorded with required cover sheet information to:
125.00 Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 002585 FRAME: 0346

INTELLECTUAL PROPERTY SECURITY AGREEMENT

WHEREAS, VXi Corporation, a Delaware corporation ("Assignor"), located and doing business at One Front Street, Rollinsford, New Hampshire 03862, is the owner of the patents (the "Patents"), trademarks (the "Trademarks") and trade names, which are registered in the United States Patent and Trademark Office and listed in Exhibit A hereto.

WHEREAS, Business Alliance Capital Corp. , a Delaware corporation("Assignee"), located and doing business at 214 Carnegie Center, Suite 302, Princeton, New Jersey 08540, has extended credit to Assignor and, Assignee and Assignor have entered into, among others, a Loan and Security Agreement dated the date hereof (the "Loan Agreement"); and

WHEREAS, in order to secure Assignor's Obligations (as defined in the Loan Agreement) to the Assignee, Assignor wishes to grant to Assignee a security interest in the Collateral and the goodwill and certain other assets with respect to the Collateral, as further set forth herein.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Assignor as security for the full payment and performance of the Obligations, and to evidence further the security interest granted to the Assignee pursuant to the Loan Agreement, hereby grants to Assignee a security interest in all of Assignor's right, title and interest in:

- (a) the Patents, Trademarks and tradenames;
- (b) all right of action, claims for damages, profits and costs, all other demands for any sum or sums of money whatsoever which it has or may have either at law or in equity, against any and all persons, firms, corporations and associations by reason of infringement upon said Trademarks.
- (c) all patents, registrations and applications for the protection of inventions and designs hereafter acquired by, granted to, or filed by Assignor which are based upon, derived from or are variations of any invention or designs disclosed in the Patents (the "Future Patents");
- (d) all extensions, renewals, and continuations, reissues, divisions, and continuations-in-part of the Patents and Future Patents;
- (e) all proceeds, including without limitation, license royalties and proceeds of infringement suits, based on the patents and Future Patents;
- (f) all licenses and other agreements relating to the Patents and Future patents and the use thereof;
- (g) all trademarks, trademark registrations, trademark registration applications, formulae, processes, compounds, methods, know-how, and trade secrets relating to the manufacture of Assignor's products under, utilizing, or in connection with the Patents and Future Pa tents; and
- (h) all goodwill of Assignor's business connected with, symbolized by or in any way related to the items set forth in clauses (a) through (b) above.

All of the foregoing items set forth in clauses (a) through (c) are hereinafter referred to collectively as the "Collateral."

AND Assignor and Assignee agree as follows:

1. Assignor's Obligations. Assignor agrees that, notwithstanding this Assignment, it will perform and discharge and remain liable for all its covenants, duties, and obligations arising in connection with the Collateral and any licenses and agreements related thereto. Assignee shall have no obligation or liability in connection with the Collateral or any licenses or agreements relating thereto by reason of this Assignment or any payment received by Assignee relating to Collateral, nor shall Assignee be required to perform any covenant, duty, or obligation or Assignor arising in connection with the Collateral or any license or agreement related thereto or to take any other action regarding the Collateral or any such licenses or agreement.

Assignee shall have no obligation to maintain, preserve or renew the Patents and Trademarks, nor to take any action to prohibit the infringements or unauthorized use of same by any third party.

2. Use Prior to Default. Unless and until an Event of Default under, and as defined in, the Loan Agreement shall occur and be continuing, Assignor shall retain the legal and equitable title to the Patents and Trademarks and shall have the right to use the Collateral and make, use and sell the inventions disclosed and claimed in the patents in the ordinary course of its business, subject to the terms and covenants of the Loan Agreement, and this Assignment.

3. Remedies Upon Default. Whenever any Event of Default, under, and defined in, the Loan Agreement shall occur, Assignor's rights pursuant to Section 2 hereof shall terminate and be null and void, and Assignee shall have all the rights and remedies granted to it in such event by the Loan Agreement, which rights and remedies are specifically incorporated herein by reference and made a part hereof. Assignee in such event may collect directly any payments due to Assignor in respect of the Collateral and may sell, license, lease, assign, or otherwise dispose of the Collateral in the manner set forth in the Loan Agreement. Assignor agrees that, in the event of any disposition of the Collateral upon any such Event of Default, it will duly execute, acknowledge, and deliver all documents necessary or advisable to record title to the Collateral in any transferee or transferees thereof, including, without limitation, valid, recordable assignments of the patents. In the event Assignor fails or refuses to execute and deliver such documents, Assignor hereby irrevocably appoints Assignee as its attorney-in-fact, with power of substitution, to execute, deliver, and record any such documents on Assignor's behalf. For the purpose of enabling Assignee to exercise rights and remedies upon any such Event of Default, Assignee hereby grants to Assignee an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to Assignor) to use, assign, license, or sub-license any of the Collateral, now owned or hereafter acquired by Assignor, and wherever the same may be located.

4. Cumulative Remedies. The rights and remedies provide herein are cumulative and not exclusive of any other rights or remedies provided by law. The rights and remedies provided herein are intended to be in addition to and not in substitution of the rights and remedies provided by the Loan Agreement or any other agreement or instrument delivered in connection therewith.

5. Amendments and Waivers. This Assignment may not be modified, supplemented or amended, or any of its provisions waived at the request of Assignor, without the prior written consent of Assignee.

6. Reassignment. At such time as Assignor shall completely satisfy all of the Obligations, Assignee will execute and deliver to Assignor all deeds, assignments and other instruments as may be necessary or proper to re-vest Assignor full title to the Collateral, subject to disposition thereof which may have been made by Assignee pursuant hereto.

7. Severability. If any clause or provision of this Assignment shall be held invalid or unenforceable, in whole or in part, in any jurisdiction, such invalidity or unenforceability shall attach only to such clause or provision, or part thereof, and shall not in any manner affect any other clause or provision in any jurisdiction.

8. Notices. All notices, requests and demands to or upon Assignor or Assignee under this assignment shall be given in the manner prescribed in the Loan Agreement.

9. Governing Law. This Assignment shall be governed by, construed, applied and enforced in accordance with the substantive laws of the State of New Jersey.

IN WITNESS WHEREOF, the parties have entered into this Collateral Assignment on this 2nd day of August, 2002.

VXI CORPORATION

By: Richard W. Hale
Name: Richard W. Hale
Title: President

ATTEST:

Alvin D. Wilcox, Sec
Alvin D. Wilcox, Sec

BUSINESS ALLIANCE CAPITAL CORP.

By: William Spindler
Name: William Spindler
Title: Sr. V.P.

STATE OF NEW HAMPSHIRE:

: SS.

COUNTY OF :

Before me this 2nd day of August, 2002, personally appeared Richard W. Hale, to

me personally known, and acknowledged to me that he is President of VXI Corporation, and acknowledged the foregoing instrument to be the free act and deed of said officer and the free act and deed of said corporation.

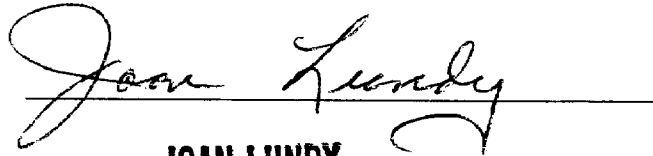
Laurie A. Boddy

(Seal)

Laurie A. Boddy
Notary Public - New Hampshire
My Commission Expires October 24, 2006

STATE OF NEW JERSEY :
 : SS.
COUNTY OF : *Mercer*

Before me this *2nd* day of *August*, 2002, personally appeared the above named officer of Business Alliance Capital Corp., to me personally known, and acknowledged to me that (s)he is an officer, and acknowledged (s)he was authorized to execute and deliver the foregoing instrument on behalf of said corporation.



JOAN LUNDY
A Notary Public of New Jersey
My Commission Expires April 16, 2004.

(Seal)

C:\Documents and Settings\cmd\Local Settings\Temporary Internet Files\OLK76\Revised IP Security Agreement
(00169880).DOCT\vx\Collateral Assignment (Security Agreement).doc
8/1/2002 4:23 PM