

01-24-2000

U.S. Department of Commerce
Patent and Trademark Office

DEC 2

RECORDA
TRA



101250850

12.22.99

To the Honorable Commissioner of Patents

documents or copy thereof.

1. Name of conveying party(ies):
XETA CORPORATION

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

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

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: November 30, 1999

2. Name and address of receiving party(ies)

Name: Bank One, Oklahoma, NA

Internal Address: _____

Street Address: 100 North Broadway

City: Oklahoma State: OK ZIP: 73102

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

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

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

See attached continuation sheet.

Additional numbers attached? Yes No

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

Name: Phillip L. Free, Jr.

Internal Address: _____

Street Address: CROWE & DUNLEVY

20 North Broadway, Suite 1800

City: Oklahoma City State: OK Zip: 73102

6. Total number of applications and registrations involved:

9

7. Total fee (37 CFR 3.41): \$ 360.00

Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: 13-0110
(if additional fees required)

01/21/2000 DCOATES 00000061 1427820

01 FC:481 40.00 OP

02 FC:482 200.00 OP

Refund Ref: 01/21/2000 DCOATES 0000088557

DO NOT USE THIS SPACE

9. Statement and signature.

CHECK Refund Total: \$120.00 *I, the undersigned, declare under penalty of perjury that the foregoing information is true and correct and any attached copy is a true copy of the original document.*

Phillip L. Free, Jr.

December 22, 1999

Registration No. 38,143

Name of Person Signing

Signature

Date

Total number of pages including cover sheet, attachments, and document: 10

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

SCHEDULE I

REGISTERED U.S. TRADEMARKS

<u>REGISTRATION NO.</u>	<u>DATE</u>	<u>MARK</u>
1,427,820	2/3/87	XETA (Service Mark)
1,503,697	9/13/88	XETA
1,616,473	10/9/90	XETAXCEL
1,611,098	8/28/90	XACT
1,875,827	1/24/95	XPERT
1,826,843	3/15/94	XPERT+
1,837,774	5/31/94	XL
2,104,396	10/7/97	XPANDER

PENDING U.S. TRADEMARK APPLICATIONS

<u>REGISTRATION NO.</u>	<u>DATE</u>	<u>MARK</u>
		Virtual XL

TRADEMARK LICENSES

Trademark Licenses with respect to which
the Grantor is a licensor:

None

Trademarks and Trademark Applications with respect to which
the Grantor is a licensee:

None

**COLLATERAL ASSIGNMENT OF TRADEMARKS
AND SECURITY AGREEMENT**

THIS COLLATERAL ASSIGNMENT OF TRADEMARKS AND SECURITY AGREEMENT (this "Assignment"), dated as of November 30, 1999, is made by XETA CORPORATION, an Oklahoma corporation (the "Grantor"), in favor of BANK ONE, OKLAHOMA, NA, a national banking association, as Agent (the "Agent") under the Credit Agreement described below.

WITNESSETH:

WHEREAS, the Grantor owns certain trademarks which are registered in, or applications for registration which have been filed in, the United States Patent and Trademark Office, and rights under certain Trademark Licenses (as herein defined), all as more fully described on Schedule I attached hereto and by reference made part hereof; and

WHEREAS, the Grantor has entered into that certain Credit Agreement of even date herewith (the "Credit Agreement"), by and among the Grantor, the Lenders (as therein defined), the Agent and Banc One Capital Markets, Inc., pursuant to which the Lenders have agreed to make certain loans to the Grantor, subject to the conditions specified; and

WHEREAS, the Grantor has entered into a Pledge and Security Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"; capitalized terms used herein and not defined shall have the meanings ascribed to them in the Security Agreement) in favor of the Agent; and

WHEREAS, pursuant to the Security Agreement, the Grantor has assigned, conveyed, mortgaged, pledged, hypothecated and transferred to the Agent, for its benefit and the ratable benefit of the Lenders, all of its right, title and interest in and to, and granted to the Agent, for its benefit and the ratable benefit of the Lenders, a security interest in, the property described therein, including, without limitation, (a) all of the Grantor's Trademarks (as herein defined), whether presently existing or hereafter acquired or arising, or in which the Grantor now has or hereafter acquires rights and wherever located, (b) all of the Grantor's Trademark Licenses (as herein defined), whether presently existing or hereafter acquired or in which the Grantor now has or hereafter acquire rights and wherever located, and (c) all products and proceeds any of the foregoing, as security for all of the Obligations; and

WHEREAS, as a condition precedent to the extension of such loans pursuant to the Credit Agreement and in furtherance of the Security Agreement, including, without limitation, for purposes of perfecting the security interests granted therein, the Lenders have required that the Grantor grant to the Agent, for its benefit and the ratable benefit of Lenders, a security interest in and a collateral assignment of the Property (as herein defined);

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

TRADEMARK

REEL: 002011 FRAME: 0452

1. For purposes of this Assignment and in addition to terms defined elsewhere in this Assignment, the following terms shall have the meanings herein specified (such meaning to be equally applicable to both the singular and plural forms of the terms defined):

"Trademark License" means any written agreement now or hereafter in existence granting to the Grantor any right to use any Trademark, including, without limitation, the agreements, if any, listed on Schedule I attached hereto.

"Trademarks" means all of the following: (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, including, without limitation, those listed on Schedule I attached hereto together with all the rights, benefits and privileges derived therefrom and the goodwill of the business symbolized thereby, (ii) all renewals thereof and (iii) all proceeds of the foregoing.

2. As security for all of the Obligations, the Grantor hereby grants and conveys a security interest to the Agent, for its benefit and the ratable benefit of the Lenders, in, and collaterally assigns to the Agent, for its benefit and the ratable benefit of the Lenders, all of its right, title and interest in, to and under the following (collectively, the "Property"):

(a) each Trademark now or hereafter owned by the Grantor or in which the Grantor now has or hereafter acquires rights and wherever located and the goodwill of the business of the Grantor relating thereto or represented thereby, including, without limitation, each Trademark referred to in Schedule I hereto; and

(b) each Trademark License now or hereafter held by the Grantor or in which the Grantor now has or hereafter acquires rights, to the extent each of the Trademark Licenses does not prohibit assignment or the granting of a security interest in the rights thereunder, and wherever located, including, without limitation, the Trademark Licenses, if any, referred to in Schedule I hereto; and

(c) all products and proceeds of the foregoing, including, without limitation, any claim by the Grantor against third parties for past, present or future infringement of any Trademark or breach of Trademark Licenses, if any, including, without limitation, any Trademark or Trademark License referred to in Schedule I hereto.

Notwithstanding the foregoing or anything else contained in this Assignment to the contrary, the assignment set forth above shall not be effective as a transfer of title to the Property unless and until the Agent exercises the rights and remedies accorded to it under the Security Agreement and by law with respect to the realization upon its security interest in and collateral assignment of the Property, and until such time the Grantor shall own, and may use and enjoy the Property in connection with its business operations, and exercise all incidents of ownership, including, without limitation, enforcement of its rights and remedies with respect to the Property, but with respect to all Property being used in the Grantor's business, only in a manner consistent with the preservation of the current substance, validity, registration and the security interest and collateral assignment herein granted in such Property.

3. The Grantor does hereby further acknowledge and affirm that the representations, warranties and covenants of the Grantor with respect to the Property and the rights and remedies of the Agent with respect to the security interest in and collateral assignment of the Property made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

4. This Assignment shall terminate upon termination of the Security Agreement in accordance with Section 8.12 thereof. At any time and from time to time prior to such termination, the Agent may terminate its security interest in or reconvey to the Grantor any rights with respect to any or all of the Property. Upon termination of this Assignment and following a request from the Grantor, the Agent shall, at the expense of the Grantor, execute and deliver to the Grantor all deeds, assignments and other instruments as the Grantor may reasonably request (but without recourse or warranty by the Agent) in order to evidence such termination.

5. If at any time before the termination of this Assignment in accordance with Section 4, the Grantor shall obtain or acquire rights to any new Trademark or Trademark License, the provisions of Section 2 shall automatically apply thereto and the Grantor shall comply with the terms of the Security Agreement with respect to such new Trademark or Trademark License. The Grantor authorizes the Agent to modify this Assignment by amending Schedule 1 to include any future Trademarks and Trademark Licenses covered by Section 2 or by this Section 5.

6. The Grantor further agrees that (a) neither the Agent nor any Lender shall have any obligation or responsibility to protect or defend the Property and the Grantor shall at its own expense protect, defend and maintain the same in accordance with the terms and conditions set forth in the Security Agreement and in accordance with its prudent business judgment, (b) the Grantor shall forthwith advise the Agent promptly in writing upon detection of infringements of any of the Property being used in the Grantor's business, and (c) if the Grantor fails to comply with the requirements of the preceding clause (a), the Agent or any Lender may do so in the Grantor's name or in its own name, but in any case at the Grantor's expense, and the Grantor hereby agrees to reimburse the Agent and the Lenders for all expenses, including attorneys' fees, incurred by the Agent and the Lenders in protecting, defending and maintaining the Property.

7. THIS ASSIGNMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF OKLAHOMA.

IN WITNESS WHEREOF, each of the parties hereto have executed this Assignment as of the date first above written.

XETA CORPORATION,
an Oklahoma corpoartion

By: Robert B. Wagner
Name: ROBERT B. WAGNER
Title: VP FINANCE

BANK ONE, OKLAHOMA, NA,
as Agent

By: Timothy T. Koski
Name: Timothy T. Koski
Title: Vice President