

10-26-2000



101497488

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

Merger Effective Date
Month Day Year

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.)

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK

REEL: 002162 FRAME: 0562

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)

<input type="text" value="75740949"/>	<input type="text" value="75740904"/>	<input type="text" value="75677438"/>
<input type="text" value="76036852"/>	<input type="text" value="75696205"/>	<input type="text" value="76036851"/>
<input type="text" value="75734540"/>	<input type="text" value="76036875"/>	<input type="text" value="75933155"/>

Registration Number(s)

<input type="text" value="2256343"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

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.

Gerald Rita

09272000

Name of Person Signing

Signature

Date Signed

**RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY**

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

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

Conveying Party

Enter Additional 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

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKATA

Composed of

Address (line 1)

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City

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Individual General Partnership Limited Partnership

Corporation Association

Other

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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)

76055046	75696203	76025374
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76036876	75740900	75740902
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76081279	75696206	76036853
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76019175	76103574	76102724
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75873279	75740949	75924683
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TRADEMARK

REEL: 002162 FRAME: 0564

Patent and Trademark Security Agreement

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of September 13, 2000 is made between Freei Networks, Inc., a Washington corporation ("Grantor"), and Cisco Systems Capital Corporation, a Nevada corporation ("CSCC").

Grantor and CSCC hereby agree as follows:

SECTION 1 Definitions; Interpretation.

(a) Terms Defined in Security Agreement. All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Security Agreement.

(b) Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Collateral" has the meaning set forth in Section 2.

"PTO" means the United States Patent and Trademark Office.

"Security Agreement" means the Security Agreement dated as of September 13, 2000 between Grantor and CSCC.

"Secured Party" means collectively CSCC and any other Cisco Company to which any Obligations are at any time owing by Grantor.

(c) Terms Defined in UCC. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(d) Interpretation. The rules of interpretation applicable to the Security Agreement shall also be applicable to this Agreement and are incorporated herein by this reference.

SECTION 2 Security Interest.

(a) Grant of Security Interest. As security for the payment and performance of the Obligations, Grantor hereby assigns, transfers and conveys to the Secured Party, and grants a security interest in and mortgage to the Secured Party, all of Grantor's right, title and interest in, to and under the following property, in each case whether now or hereafter existing or arising or in which Grantor now has or hereafter owns, acquires or develops an interest and wherever located (collectively, the "Collateral"):

(i) all patents and patent applications, domestic or foreign, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such patents and patent applications as described in Schedule A), all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;

(ii) all state (including common law), federal and foreign trademarks, service marks and trade names, and applications for registration of such trademarks, service marks and trade names,

all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such marks, names and applications as described in Schedule B), whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;

(iii) the entire goodwill of or associated with the businesses now or hereafter conducted by Grantor connected with and symbolized by any of the aforementioned properties and assets;

(iv) all general intangibles and all intangible intellectual or other similar property of Grantor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(v) all proceeds of any and all of the foregoing Collateral (including license royalties, rights to payment, accounts receivable and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not CSCC is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral.

(b) Continuing Security Interest. Grantor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 11.

SECTION 3 Supplement to Security Agreement. This Agreement has been granted in conjunction with the security interests granted to Secured Party under the Security Agreement. The rights and remedies of Secured Party with respect to the security interests granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference.

SECTION 4 Representations and Warranties. Grantor represents and warrants to Secured Party that:

(a) Patents. A true and correct list of all of the existing Collateral consisting of U.S. patents and patent applications and/or registrations owned by Grantor, in whole or in part, is set forth in Schedule A.

(b) Trademarks. A true and correct list of all of the existing Collateral consisting of U.S. trademarks, trademark registrations and/or applications owned by Grantor, in whole or in part, is set forth in Schedule B.

SECTION 5 Further Acts. On a continuing basis, Grantor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, and take all such action as may be necessary or advisable or may be requested by CSCC to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure Grantor's compliance with this Agreement or to enable CSCC to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing with the PTO and/or any applicable state office. CSCC may record this Agreement, an abstract thereof, or

any other document describing CSCC's interest in the Collateral with the PTO, at the expense of Grantor.

SECTION 6 Authorization to Supplement. If Grantor shall obtain rights to any new trademarks, any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. Grantor shall give prompt notice in writing to CSCC with respect to any such new trademarks or patents, or renewal or extension of any trademark registration. Without limiting Grantor's obligations under this Section 6, Grantor authorizes CSCC to modify this Agreement by amending Schedules A or B to include any such new patent or trademark rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedules A or B shall in any way affect, invalidate or detract from CSCC's continuing security interest in all Collateral, whether or not listed on Schedule A or B.

SECTION 7 Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Grantor, Secured Party and their respective successors and assigns. Grantor may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder except as specifically permitted by the Security Agreement

SECTION 8 Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York, except as required by mandatory provisions of law and to the extent the validity or perfection of the security interests hereunder, or the remedies hereunder, in respect of any Collateral are governed by the law of a jurisdiction other than New York.

SECTION 9 Amendment. This Agreement is subject to modification only by a writing signed by the parties, except as provided herein. To the extent that any provision of this Agreement conflicts with any provision of the Security Agreement, the provision giving Secured Party greater rights or remedies shall govern, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to Secured Party under the Security Agreement.

SECTION 10 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

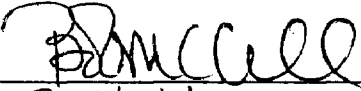
SECTION 11 Termination. Upon payment and performance in full of all Obligations, the security interests created by this Agreement shall terminate and CSCC shall promptly execute and deliver to Grantor such documents and instruments reasonably requested by Grantor as shall be necessary to evidence termination of all such security interests given by Grantor to Secured Party hereunder, including cancellation of this Agreement by written notice from CSCC to the PTO.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

GRANTOR

Freei Networks, Inc.

By 
Title: *President / CEO*

Address:

2505 S. 320th St.
Federal Way, WA 98003-5461

Attn.: Ned Menninger

Fax No. (253) 796-1773

CSCC

Cisco Systems Capital Corporation

By: _____
Title:

Address:

Worldwide Financial Services
170 West Tasman Drive
Mailstop SJ-Linc 1/2
San Jose, CA 95134-1706

Attn: Loan Administration

Fax: (408) 527-3993

[SIGNATURE PAGE TO PATENT AND TRADEMARK SECURITY AGREEMENT]

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

GRANTOR

Freei Networks, Inc.

By _____
Title:

Address:

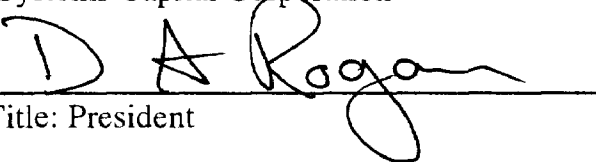
2505 S. 320th St.
Federal Way, WA 98003-5461

Attn.: Ned Menninger

Fax No. (253) 796-1773

CSCC

Cisco Systems Capital Corporation

By: 
Title: President

Address:

Worldwide Financial Services
170 West Tasman Drive
Mailstop SJ-Linc 1/2
San Jose, CA 95134-1706

Attn: Loan Administration

Fax: (408) 527-3993

[SIGNATURE PAGE TO PATENT AND TRADEMARK SECURITY AGREEMENT]

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TRADEMARK
REEL: 002162 FRAME: 0569

SCHEDULE A
to the Patent and Trademark Security Agreement

Freei Networks, Inc.

Issued U.S. Patents of Grantor

Patent No.	Issue Date	Inventor	Title
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None.

Pending U.S. Patent Applications of Grantor

Freei Networks, Inc.

<u>Serial No.</u>	<u>Filing Date</u>	<u>Inventor</u>	<u>Title</u>
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None.

SCHEDULE B
to the Patent and Trademark Security Agreement

Freei Networks, Inc.

U.S. Trademarks of Grantor

<u>Registration No.</u>	<u>Registration Date</u>	<u>Filing Date</u>	<u>Registered Owner</u>	<u>Mark</u>
2,256,343	06/29/1999	05/08/1997	Freei Networks, Inc	FREEINTERNET (typed)

Pending U.S. Trademark Applications of Grantor

Freei Networks, Inc.

<u>Application No.</u>	<u>Filing Date</u>	<u>Applicant</u>	<u>Mark</u>
75/740949	2/22/00	Freei Networks, Inc.	FREEI INDEX (typed)
75/740904	6/30/99	Freei Networks, Inc.	FREEI.MALL (typed)
75/677438	4/8/99	Freei Networks, Inc.	FREEI.NET (typed)
76/036852	4/28/00	Freei Networks, Inc.	FREEI.NET (typed)
75/696205	5/3/99	Freei Networks, Inc.	FREEI.NET (stylized)
76/036851	4/28/00	Freei Networks, Inc.	FREEI.NET (stylized)
75/734540	6/23/99	Freei Networks, Inc.	FREEI NETWORKS ¹ (typed)
76/036875	4/28/00	Freei Networks, Inc.	FREEI NETWORKS (typed)
75/933155	3/2/00	Freei Networks, Inc.	FREEINTERNET.COM (typed)
76/055046	5/23/00	Freei Networks, Inc.	FREEINTERNET.COM (typed)
75/696203	5/3/99	Freei Networks, Inc.	FREEI SEARCH (typed)
76/025374	4/13/00	Freei Networks, Inc.	FREEEI SEARCH (typed)
76/036876	4/28/00	Freei Networks, Inc.	FREEI SEARCH (typed)
75/740900	6/30/99	Freei Networks, Inc.	FREEITOWN2 ² (typed)
75/740902	6/30/99	Freei Networks, Inc.	FREEIVALUES (typed)
76/081279	6/30/00	Freei Networks, Inc.	INTROMERCIAL (typed)
75/696206	5/3/99	Freei Networks, Inc.	ISEE (typed)
76/036853	4/28/00	Freei Networks, Inc.	ISEE (typed)
76/019175	4/6/00	Freei Networks, Inc.	MY FREEI (typed)
76/103574	8/4/00	Freei Networks, Inc.	THE BOB SHOW (typed)
76/102724	8/3/00	Freei Networks, Inc.	BOB TV (typed)
75/873279	12/16/99	Freei Networks, Inc.	FREEI (typed)
75/740949	6/30/99	Freei Networks, Inc.	FREEICHAT (typed)
75/924683	2/22/00	Freei Networks, Inc.	FREEI INDEX (typed)

¹ The PTO online status reflects that the Notice of Allowance has been issued, but as of yet has not been received.

² The Notice of Publication has been issued. The publication date is 6/20/00.