

04-11-2002

Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)



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

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102051552

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

1. Name of conveying party(ies):

Data Race, Inc. dba IP Axxess

- 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: Mar. 22/02

2. Name and address of receiving party(ies)

Name: Travelers Casualty & Surety Co.

Internal Address: _____

Street Address: One Tower Square

City: Hartford State: CT Zip: 06183

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- 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) 76/087,484;
76/026,261; 76/182,066; 75/811,825

B. Trademark Registration No.(s) 2,219,197
1,727,262; 2,178,904; 2,174,265

Additional number(s) attached Yes No

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

Name: Paul D. Schoonover

Internal Address: Suite 4400

Street Address: 1717 Main Street

City: Dallas State: TX Zip: 75201

6. Total number of applications and registrations involved: _____

11

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

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: _____

DO NOT USE THIS SPACE

9. Signature.

Paul D. Schoonover
Name of Person Signing

Signature

4/10/02

Date

38

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

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

04/11/2002 6TON11 00000160 76087484

01 FC:481 40.00 DP
02 FC:482 250.00 DP

- 1 -

TRADEMARK
REEL: 002479 FRAME: 0787

Continuation Page to Recordation Form Cover Sheet (Trademarks)

Conveying Party: Data Race, Inc. dba IP Axess

Item 4 (additional trademark application and registration numbers):

4(A) - Trademark Application Nos. 76/017933

4(B) - Trademark Registration Nos. 2,486,325 and 1,881,891

SECURITY AGREEMENT

Data Race, Inc., a Texas corporation doing business "IP Axess," IRS Employer Identification No. 74-2272363, with its principal offices at 6509 Windcrest Drive, Suite 120, Plano, Texas 75024 ("Debtor") and Travelers Casualty and Surety Company of America, One Tower Square, Hartford, CT 06183 ("Secured Party") agree as follows:

Section I. Creation of Security Interest.

In order to secure the prompt and unconditional payment of the indebtedness herein referred to and the performance of the obligations, covenants, agreements and undertakings of Debtor herein described, Debtor hereby grants to Secured Party a security interest in all of Debtor's personal property (other than fixtures) now owned or hereafter acquired, including but not limited to all of Debtor's accounts, inventory, equipment, instruments and/or investment property, general intangibles (including without limitation the patents, licenses, trademarks and other intellectual property on the attached List of Intellectual Property), Deposit Accounts and Letters of Credit, Related Property and Claims, all as described and referenced more fully in Exhibit A attached hereto, the "Financing Statement Addendum-Description of Collateral," being hereinafter collectively called the "Collateral"; and all proceeds of the Collateral, including, without limitation, all insurance or claims for insurance effected or held for the benefit of Debtor or Secured Party in respect of the Collateral. The inclusion of proceeds does not authorize Debtor to sell, dispose of or otherwise use the Collateral in any manner not authorized herein. The term "Collateral" shall not include any real property or leasehold interests owned or held by Debtor.

Collateral includes all of Debtor's patents, patent applications and patentable inventions, including but not limited to those set forth in Exhibit A and (a) the inventions and improvements described and claimed therein, (b) any continuation, division, renewal, extension, substitute or reissue thereof or any legal equivalent in a foreign country for the full term or terms for which the same may be granted, (c) all rights to income, royalties, profits, license fees, awards, damages or other rights relating to said patents, applications or inventions, including the right to sue for past, present or future infringement, and (d) any other rights and benefits to said patents, applications or inventions ("Patents").

Collateral also includes all of Debtor's trademarks, trademark applications and the goodwill underlying or associated with those trademarks, including but not limited to those listed in Exhibit A and (a) any similar marks or amendments, modifications and renewals thereof and the goodwill represented by those trademarks thereon (including all development work, manufacturing procedures, quality control procedures and product specifications relating to products or services sold or marketed under such trademarks) and any legal equivalent in a foreign country for the full term or terms for which the same may be granted, (b) all rights to income, royalties, profits, license fees, damages or other rights relating to said trademarks including the right to sue for past, present or future infringement, and (c) any other rights and

benefits relating to said trademarks, including any rights as a licensor or licensee of said trademarks (“Trademarks”).

Section II. Secured Indebtedness.

This Agreement is made to secure and enforce the payment and performance of all debts, obligations and liabilities of every kind and character of Debtor, now or hereafter existing in favor of Secured Party, including without limitation, all liabilities and obligations of Debtor to Secured Party under that certain Secured Promissory Note dated February __, 2002 in the principal sum of \$125,000.00 executed by Debtor payable to the order of Secured Party and all renewals, extensions, modifications and rearrangements thereof (the “Note”). All such indebtedness is hereinafter sometimes called the “secured indebtedness” or the “indebtedness secured hereby.”

Section III. Representations and Warranties.

Debtor represents, warrants and covenants that no bankruptcy or insolvency proceedings are pending or contemplated by or against Debtor; that all information, reports, statements and other data furnished by Debtor to Secured Party prior to, contemporaneously with or subsequent to the execution of this Agreement or in connection with the indebtedness secured hereby are and shall be true and correct and do not and will not omit to state any fact or circumstance necessary to make the statements contained therein not misleading; that Debtor is the lawful owner of good and marketable title to the Collateral and has good right and authority to grant a security interest in the Collateral; that the Collateral is free and clear from all security interests and encumbrances except the security interest evidenced hereby and the following security interests:

- The security interests in security systems equipment leased or other provided to Debtor as described in a Financing Statement filed by Ameritech Credit Corporation, 2550 W. Golf Road, Rolling Meadows, IL 60008, as Secured Party, filed June 16, 2000, and bearing file number 00-00523541 as filed with the Texas Secretary of State;
- The security interests in two NEC telephone systems and related equipment leased to Debtor as described in a Financing Statement filed by NEC America, Inc., 300 Frank W. Burr Blvd., Teaneck, NJ 07666, as Secured Party, filed July 11, 2000, and bearing file number 00-00540732 as filed with the Texas Secretary of State; and
- The security interests in collateral described in a Financing Statement filed by First Capital Group of Texas II, L.P. and First Capital Group Management Company, LLC, as Secured Parties, filed June 1, 2001, and bearing file number 01-00104716 as filed with the Texas Secretary of State; and as such Financing Statement was amended adding ICN Capital Ltd. as an additional secured party via an Amendment filed August 2, 2001, bearing file number 01-10001039 with the Texas Secretary of State; and

- The security interests in collateral described in a Financing Statement filed by Stonestreet, L.P., and Alpha Capital AG, as Secured Parties, filed December 7, 2001, and bearing file number 02-0011950866 as filed with the Texas Secretary of State;

that except for the above-referenced financing statements (and [i] any identical financing statements filed in Collin County or Bexar County, Texas and [ii] and security agreements in favor of First Capital Group of Texas II, L.P., First Capital Group Management Company, ICN Capital, Ltd., Stonestreet, L.P., and Alpha Capital AG filed with the United States Patent & Trademark Office), there is no financing statement (or similar statement or instrument of registration under the laws of any jurisdiction) covering or purporting to cover any interest of any kind in the Collateral or its proceeds on file or registered in any public office; that this Agreement constitutes the legal, valid and binding obligation of Debtor enforceable against Debtor in accordance with its terms; that the execution, delivery and performance of this Agreement (1) do not and will not contravene or violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect and applicable to Debtor or result in a breach of or constitute a default (with or without the giving of notice or the lapse of time or both) under any loan, credit or other agreement to which Debtor is a party or by which Debtor may be bound or affected; and (2) do not require the consent or approval of any person, including, without limitation, any regulatory body or governmental authority; that Debtor will warrant and forever defend the title to the Collateral and its proceeds against the claims of all persons whomsoever claiming or to claim the same or any part thereof; that the location of Debtor is the address set forth at the beginning of this Agreement and in this regard, Debtor's location is defined to mean (1) Debtor's place of business if Debtor has only one such place of business; (2) Debtor's chief executive office if Debtor has more than one place of business; that all of Debtor's books and records with regard to the Collateral are maintained and kept at the address of Debtor set forth in this Agreement.

Section IV. Covenants.

4.1 Debtor covenants and agrees with Secured Party as follows:

(a) Debtor shall make prompt payment, as the same becomes due, of all indebtedness of Debtor secured hereby in accordance with the terms and provisions of the agreements evidencing such indebtedness.

(b) Debtor will continuously maintain Debtor's corporate existence.

(c) Debtor will cause to be paid prior to delinquency all taxes, charges, liens and assessments heretofore or hereafter levied or assessed against the Collateral, or any part thereof, or against the Secured Party for or on account of the indebtedness secured hereby or the interest created by this Agreement and will furnish Secured Party with receipts showing payment of such taxes and assessments at least ten (10) days prior to the applicable default date therefor.

(d) If the validity or priority of this Agreement or of any rights, titles, security interests or other interests created or evidenced hereby shall be attacked, endangered or questioned or if any legal proceedings are instituted with respect thereto, Debtor will give prompt written notice thereof to Secured Party and at Debtor's own cost and expense will diligently endeavor to cure any defect that may be developed or claimed, and will take all necessary and proper steps for the defense of such legal proceedings, and Secured Party (whether or not named as a party to legal proceedings with respect thereto) is hereby authorized and empowered to take such additional steps as in its judgment and discretion may be necessary or proper for the defense of any such legal proceedings or the protection of the validity or priority of this Agreement and the rights, titles, security interests and other interests created or evidenced hereby, and all expenses so incurred of every kind and character shall be a demand obligation owing by Debtor and the party incurring such expenses shall be subrogated to all rights of the person receiving such payment.

(e) Debtor will, on request of Secured Party, (1) promptly correct any defect, error or omission which may be discovered in the contents of this Agreement or in any other instrument executed in connection herewith or in the execution or acknowledgment thereof; (2) execute, acknowledge, deliver and record or file such further instruments (including without limitation, further security agreements, financing statements, and continuation statements) and do such further acts as may be necessary, desirable or proper to carry out more effectively the purposes of this Agreement and such other instruments and to subject to the security interests hereof and thereof any property intended by the terms hereof and thereof to be covered hereby and thereby including specifically, but without limitation, any renewals, additions, substitutions, replacements or appurtenances to the then Collateral; and (3) execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically any financing statement) deemed advisable by Secured Party to protect the security interest hereunder against the rights or interests of third persons, and Debtor will pay all costs connected with any of the foregoing.

(f) Notwithstanding the security interest in proceeds granted herein, Debtor will not sell, lease, exchange, lend, rent, assign, transfer or otherwise dispose of all or any part of the Collateral or any interest therein or permit the title to the Collateral, or any interest therein, to be vested in any other party, in any manner whatsoever, by operation of law or otherwise (except in the ordinary course of Debtor's business) without the prior written consent of Secured Party; provided, however, that the "ordinary course exception" shall not apply to Patents or Trademarks.

(g) Debtor shall pay all expenses and reimburse Secured Party for any expenditures, including attorneys' fees and expenses, incurred or expended in connection with Secured Party's exercise of any of its rights and remedies hereunder or Secured Party's protection of the Collateral and its security interest therein. Any amount to be paid hereunder by Debtor to Secured Party shall be a demand obligation owing by Debtor to Secured Party and shall bear interest from date of expenditure until paid at the same rate

as provided in the Note for interest on past due principal (herein called the "Past Due Rate").

(h) Debtor shall account fully and faithfully for and, if Secured Party so elects, shall promptly pay or turn over to Secured Party the proceeds in whatever form received from the sale or disposition in any manner of any of the Collateral, whether the indebtedness secured hereby is mature or not, the order and method of application to be in the sole discretion of Secured Party, except as otherwise specifically authorized herein. Debtor shall at all times keep the Collateral and its proceeds separate and distinct from other property of Debtor and shall keep accurate and complete records of the Collateral and its proceeds.

(i) The Collateral is and shall remain in Debtor's possession or control at all times at Debtor's risk of loss at Debtor's location as stated herein, where Secured Party may inspect it at any time, except for its temporary removal in connection with its ordinary use or unless Debtor notifies Secured Party in writing and Secured Party consents in writing in advance of its removal to another location.

(j) Debtor will not change its address, location, or name, identity or corporate structure without notifying Secured Party of such change in writing at least thirty (30) days prior to the effective date of such change, and shall have taken such action, satisfactory to Secured Party, to have caused the security interest of Secured Party in the Collateral to be at all times fully perfected and in full force and effect.

(k) Debtor shall furnish Secured Party all such information as Secured Party may request with respect to the Collateral.

(l) Debtor will take all actions necessary to properly maintain and renew all Patents and registrations for Trademarks that are or may become subject to the Security Agreement for the full term or terms allowed by law including but not limited to the appropriate and timely payment of any required fees and the appropriate and timely filing of any documents or declarations necessary to maintain and renew the Patents or registrations for Trademarks (including the filing of a declaration of incontestability under § 15 of the United States Trademark Act where possible) that may be necessary or appropriate under applicable law.

(m) Debtor will file new applications to register and protect under applicable law all patentable inventions or Trademarks acquired by Debtor but for which applications have not previously been filed or to take all other actions necessary to cause Patents and registrations for Trademarks to be issued as a result of said applications.

(n) Debtor will protect such Patents and Trademarks from infringement, unfair competition or dilution or damage by all appropriate actions including the commencement of legal action to prevent and recover damages for infringement and to defend the Patents

and Trademarks from claims of infringement, unfair competition or damage including the defense of any legal actions making such claims.

(o) Debtor will provide written semiannual reports to Secured Party informing Secured Party of: (a) the status of all Patents and Trademarks subject to this Security Agreement, including any new patents, patent applications, trademark registrations, trademark applications or related licenses; and (b) any actions taken by Debtor in accordance with Section 4.1(l) through (n) and Section 4.1(p) of this Security Agreement. All reports or notices to Secured Party shall be sent to Peter J. Uzzi, Bond Claim Counsel, Executive Liability, Travelers Insurance, One Tower Square, 14CZ, Hartford, CT 06183-9062; Telephone: (860) 277-6807; Facsimile: (860) 277-5722

(p) If Debtor shall obtain rights to or become entitled to the benefit of any new patents, patentable applications, patentable inventions, trademarks, registered trademarks, trademark applications or licenses before its obligations to Secured Party as set forth in this Security Agreement have been satisfied in full, the provisions of this Security Agreement shall automatically apply thereto, and Debtor hereby authorizes Secured Party to act as Debtor's attorney-in-fact to modify or update this Security Agreement accordingly and to sign any such modification on behalf of Debtor.

4.2 Debtor agrees that, if Debtor fails to perform any act or to take any action which hereunder Debtor is required to perform or take, or to pay any money which hereunder Debtor is required to pay, Secured Party, in Debtor's name or in its own name, may but shall not be obligated to perform or cause to be performed such act or take such action or pay such money, and any expenses so incurred by Secured Party, and any money so paid by Secured Party, shall be a demand obligation owing by Debtor to Secured Party and Secured Party, upon making such payment, shall be subrogated to all of the rights of the person, corporation or political body receiving such payment. Any amounts due and owing by Debtor to Secured Party pursuant to this Agreement shall bear interest from the date such amount becomes due until paid at the Past Due Rate and shall be a part of the secured indebtedness and shall be secured by this Agreement and by any other instrument securing the secured indebtedness.

Section V. Events of Default.

5.1 Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions (hereinafter called "Event of Default"):

(a) Debtor shall fail to pay or prepay any principal of or interest on the Note or any other indebtedness secured hereby as and when due; or

(b) Debtor shall fail to pay at maturity, or within any applicable period of grace, any principal of or interest on any other obligation or shall fail to observe or perform any term, covenant or agreement contained in any agreement or obligation by which Debtor is bound for such a period

of time as would accelerate, or would permit the holder thereof, or of any obligation issued thereunder, to accelerate, the maturity thereof, or of any such obligation; or

(c) Any representation or warranty made in connection with the execution and delivery of this Agreement, the note evidencing the indebtedness secured hereby or any other instrument now or hereafter securing the indebtedness secured hereby or in any certificate furnished in connection with such indebtedness shall prove to have been incorrect, false or misleading on the date when made; or

(d) Default shall occur in the punctual and complete performance of any covenant of Debtor contained in the Note evidencing the indebtedness secured hereby, this Agreement or in any other instrument now or hereafter securing or guaranteeing the indebtedness secured hereby; or

(e) The sale, encumbrance or abandonment (except in the ordinary course of business of Debtor's business or as otherwise expressly permitted by this Agreement) of any property now or hereafter covered by this Agreement or any other instrument now or hereafter securing the indebtedness secured hereby; or the making of any levy, seizure or attachment thereof or thereon; or the loss, theft, substantial damage or destruction of any such property (provided, however, that the "ordinary course exception" shall not apply to Patents or Trademarks); or

(f) Any order shall be entered decreeing the dissolution, liquidation or split-up of Debtor, and such order shall remain in effect for thirty (30) days; or

(g) The occurrence of an event of default under any other instrument now or hereafter securing or guaranteeing the indebtedness secured hereby; or

(h) Debtor shall make a general assignment for the benefit of creditors or shall petition or apply to any tribunal for the appointment of a trustee, custodian, receiver or liquidator of all or any substantial part of its business, estate or assets or shall commence any proceeding under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect; or

(i) Any such petition or application shall be filed or any such proceeding shall be commenced against Debtor, and Debtor, as the case may be, by any act or omission shall indicate approval thereof, consent thereto or acquiescence therein, or an order shall be entered appointing a trustee, custodian, receiver or liquidator of all or any substantial part of the assets of Debtor or granting relief to Debtor or approving the petition in any such proceeding, and such order shall remain in effect for more than thirty (30) days; or

(j) Debtor shall fail generally to pay its debts as they become due, or suffer any writ of attachment or execution or any similar process to be issued or levied against it or substantially all of its property which is not released, stayed, bonded or vacated within thirty (30) days after its issue or levy; or

(k) The dissolution, liquidation or termination of existence or death or legal incapacity of Debtor or the sale, conveyance, lease or other disposition of a substantial part of the assets of Debtor.

Section VI. Remedies in Event of Default.

6.1 Upon the occurrence of an Event of Default, and at any time thereafter, Secured Party shall have the option of declaring, without notice to any person, all indebtedness secured hereby, principal and accrued interest, to be immediately due and payable.

6.2 Upon the occurrence of an Event of Default, and at any time thereafter, Secured Party is authorized, in any legal manner and without breach of the peace, to take possession of the Collateral and of all books, records and accounts relating thereto and to exercise without interference from Debtor any and all rights which Debtor has with respect to the management, possession, operation, protection or preservation of the Collateral, including the right to sell the same for the account of Debtor and to deduct from such sales proceeds all costs, expenses and liabilities of every character incurred by Secured Party in collecting such sales proceeds and in managing, operating, maintaining, protecting or preserving the Collateral and to apply the remainder of such sales proceeds on the indebtedness secured hereby in such manner as Secured Party may elect. All such costs, expenses and liabilities incurred by Secured Party in collecting such sales proceeds, in managing, operating, maintaining, protecting or preserving such properties, if not paid out of such sales proceeds as hereinabove provided, shall constitute a demand obligation owing by Debtor and shall bear interest from the date of expenditure until paid at the Past Due Rate, all of which shall constitute a portion of the secured indebtedness. If necessary to obtain the possession provided for above, Secured Party may invoke any and all legal remedies to dispossess Debtor, including specifically one or more actions for forcible entry and detainer. In connection with any action taken by Secured Party pursuant to this paragraph, Secured Party shall not be liable for any loss sustained by Debtor resulting from any failure to sell the Collateral, or any part thereof, or from other act or omission of the Secured Party in managing the Collateral unless such loss is caused by the willful misconduct and bad faith of Secured Party, nor shall Secured Party be obligated to perform or discharge any obligation, duty, or liability under any sales agreement covering the Collateral or any part thereof or under or by reason of this instrument or the exercise of rights or remedies hereunder.

6.3 Upon the occurrence of an Event of Default, and at any time thereafter, Secured Party shall have all the rights of a secured party after default under the Uniform Commercial Code of Texas and in conjunction with, in addition to or in substitution for those rights and remedies:

(a) Secured Party may require Debtor to assemble the Collateral and make the Collateral available at a place Secured Party designates which is mutually convenient to allow Secured Party to take possession or dispose of the Collateral;

(b) Secured Party may notify or require each obligor obligated on the Collateral or part of it to make payment directly to Secured Party and Secured Party may take control of the proceeds paid to Secured Party. Until Secured Party elects to exercise these rights, Debtor is authorized as agent of Secured Party to collect and enforce the Collateral. The cost of collection and enforcement, including attorneys' fees and expenses, shall be borne solely by Debtor whether incurred by Secured Party or Debtor;

(c) Secured Party may require that Debtor will, upon receipt of checks, drafts, cash and other remittances in payment or on account of the Collateral, deposit all of them in a special bank account over which Secured Party alone has power of withdrawal. The funds in the account shall be held by Secured Party as security for all indebtedness secured by this Agreement. The proceeds shall be deposited in precisely the form received, except for the indorsement of Debtor where necessary to permit collection of items. Debtor agrees to make the indorsement and authorizes Secured Party to make it on Debtor's behalf. Pending deposits, Debtor agrees that it will not commingle the checks, drafts, cash and other remittances with Debtor's funds or property, but will hold them separate and apart and upon an express trust for Secured Party until deposit in the special account. Secured Party may apply or set off the deposits against any indebtedness secured hereby;

(d) Written notice mailed to Debtor as provided herein ten (10) days prior to the date of public sale of the Collateral or prior to the date after which private sale of the Collateral will be made shall constitute reasonable notice;

(e) It shall not be necessary that the Secured Party take possession of the Collateral or any part thereof prior to the time that any sale pursuant to the provisions of this paragraph is conducted and it shall not be necessary that the Collateral or any part thereof be present at the location of such sale;

(f) Prior to the application of the proceeds of disposition of the Collateral to the secured indebtedness, such proceeds shall be applied to the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the attorneys' fees and legal expenses incurred by Secured Party or Debtor, as the case may be, to remain liable for any deficiency;

(g) The sale by Secured Party of less than the whole of the Collateral shall not exhaust the rights of Secured Party hereunder, and Secured Party is specifically empowered to make successive sale or sales hereunder until the whole of the Collateral shall be sold; and, if the

proceeds of such sale of less than the whole of the Collateral shall be less than the aggregate of the indebtedness secured hereby, this Agreement and the security interest created hereby shall remain in full force and effect as to the unsold portion of the Collateral just as though no sale had been made;

(h) In the event any sale hereunder is not completed or is defective in the opinion of Secured Party, such sale shall not exhaust the rights of Secured Party hereunder and Secured Party shall have the right to cause a subsequent sale or sales to be made hereunder;

(i) Any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder as to nonpayment of the secured indebtedness or as to the occurrence of any default, or as to Secured Party having declared all of such indebtedness to be due and payable, or as to notice of time, place and terms of sale and the properties to be sold having been duly given, as to any other act or thing having been duly done by Secured Party, shall be taken as prima facie evidence of the truth of the facts so stated and recited;

(j) Secured Party may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Secured Party, including the sending of notices and the conduct of sale, but in the name and on behalf of Secured Party.

6.4 All remedies herein expressly provided for are cumulative of any and all other remedies existing at law or in equity and are cumulative of any and all other remedies provided for in any other instrument securing the payment of the secured indebtedness, or any part thereof, or otherwise benefitting Secured Party, and the resort to any remedy provided for hereunder or under any such other instrument or provided for by law shall not prevent the concurrent or subsequent employment of any other appropriate remedy or remedies.

6.5 Secured Party may resort to any security given by this Agreement or to any other security now existing or hereafter given to secure the payment of the secured indebtedness, in whole or in part, and in such portions and in such order as may seem best to Secured Party in its sole and uncontrolled discretion, and any such action shall not in any way be considered as a waiver of any of the rights, benefits or security interests evidenced by this Agreement.

6.6 To the full extent Debtor may do so, Debtor agrees that Debtor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisalment, valuation, stay, extension or redemption, and Debtor, for Debtor, Debtor's devisees, administrators, executors, personal representatives, successors, receivers, trustees and assigns, and for any and all persons ever claiming any interest in the Collateral, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisalment, stay of execution, notice of intention to mature or declare due the whole of the secured indebtedness, notice of election to mature or declare due

the whole of the secured indebtedness and all rights to a marshaling of the assets of Debtor, including the Collateral, or to a sale in inverse order of alienation in the event of foreclosure of the security interest hereby created.

Section VII. Additional Agreements.

7.1 If all of the secured indebtedness be paid as the same becomes due and payable and if all of the covenants, warranties, undertakings and agreements made in this Agreement are kept and performed, then and in that event only, all rights under this Agreement shall terminate and the Collateral shall become wholly clear of the security interest evidenced hereby, and such security interest shall be released by Secured Party in due form at Debtor's cost.

7.2 Secured Party may waive any default without waiving any other prior or subsequent default. Secured Party may remedy any default without waiving the default remedied. The failure by Secured Party to exercise any right, power or remedy upon any default shall not be construed as a waiver of such default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Secured Party of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by Debtor therefrom shall in any event be effective unless the same shall be in writing and signed by Secured Party and then such waiver or consent shall be effective only in the specific instances, for the purpose for which given and to the extent therein specified. No notice to nor demand on Debtor in any case shall of itself entitle Debtor to any other or further notice of demand in similar or other circumstances. Acceptance by Secured Party of any payment in an amount less than the amount then due on any secured indebtedness shall be deemed an acceptance on account only and shall not in any way affect the existence of a default hereunder.

7.3 Secured Party may at any time and from time to time in writing (a) waive compliance by Debtor with any covenant herein made by Debtor to the extent and in the manner specified in such writing; (b) consent to Debtor's doing any act which hereunder Debtor is prohibited from doing, or consent to Debtor's failing to do any act which hereunder Debtor is required to do, to the extent and in the manner specified in such writing; or (c) release any part of the Collateral, or any interest therein, from the security interest of this Agreement; or (d) release any party liable, either directly or indirectly, for the secured indebtedness or for any covenant herein or in any other instrument now or hereafter securing the payment of the secured indebtedness, without impairing or releasing the liability of any other party. No such act shall in any way impair the rights of Secured Party hereunder except to the extent specifically agreed by Secured Party in such writing.

7.4 The security interest and other rights of Secured Party hereunder shall not be impaired by any indulgence, moratorium or release granted by Secured Party, including but not limited to (a) any renewal, extension or modification which Secured Party may grant with respect to any secured

indebtedness, (b) any surrender, compromise, release, renewal, extension, exchange or substitution which Secured Party may grant in respect of any item of the Collateral, or any part thereof or any interest therein, or (c) any release or indulgence granted to any indorser, guarantor or surety of any secured indebtedness.

7.5 Secured Party may call at Debtor's place or places of business at intervals to be determined by Secured Party and, without hindrance or delay, inspect, audit, check and make extracts from and copies of the books, records, journals, orders, receipts, correspondence and other data relating to the Collateral or to any transaction between Debtor and Secured Party, and Debtor shall assist Secured Party in making any such inspection.

7.6 A carbon, photographic, or other reproduction of this Agreement or of any financing statement relating to this Agreement shall be sufficient as a financing statement.

7.7 Debtor will cause all financing statements and continuation statements relating hereto to be recorded, filed, re-recorded and refiled in such manner and in such places as Secured Party may request, and will pay all such recording, filing, re-recording and refiling taxes, fees and other charges.

7.8 In the event the ownership of the Collateral or any part thereof becomes vested in a person other than Debtor, Secured Party may, without notice to Debtor, deal with such successor or successors in interest with reference to this Agreement and to the indebtedness secured hereby in the same manner as with Debtor, without in any way vitiating or discharging Debtor's liability hereunder or upon the indebtedness secured hereby. No sale of the Collateral, and no forbearance on the part of Secured Party and no extension of the time for the payment of the indebtedness secured hereby given by Secured Party shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of Debtor, or any other person for the payment of the indebtedness secured hereby, except as agreed to in writing by Secured Party.

7.9 To the extent that proceeds of the secured indebtedness are used to pay indebtedness secured by any outstanding lien, security interest, charge or prior encumbrance against the Collateral, such proceeds have been advanced by Secured Party at Debtor's request and Secured Party shall be subrogated to any and all rights, security interests, and liens owned by any owner or holder of such outstanding liens, security interests, charges or encumbrances, irrespective of whether said liens, security interests, charges or encumbrances are released.

7.10 If any part of the secured indebtedness cannot be lawfully secured by this Agreement or if any part of the Collateral cannot be lawfully subject to the security interest hereof to the full extent of such indebtedness, then all payments made shall be applied on said indebtedness first in discharge of that portion thereof which is not secured by this Agreement.

7.11 Secured Party may assign this Agreement so that the assignee shall be entitled to the rights and remedies of Secured Party hereunder and in the event of such assignment, Debtor will assert no claims or defenses it may have against the assignee except those granted in this Agreement.

7.12 Any notice, request, demand or other communication required or permitted hereunder shall be given in writing by delivering same in person to the intended addressee, or by United States Postal Service, postage prepaid, registered or certified mail, return receipt requested, or by prepaid telegram (provided that such telegram is confirmed by mail in the manner previously described), sent to the intended addressee at the address shown herein, or to such different address as the addressee shall have designated by written notice sent in accordance herewith and actually received by the other party at least ten (10) days in advance of the date upon which such change of address shall be effective.

7.13 This Agreement shall be binding upon Debtor, and the successors, receivers, trustees and assigns of Debtor, including all successors in interest of Debtor in and to all or any part of the Collateral, and shall inure to the benefit of Secured Party and the successors and assigns of Secured Party.

7.14 Whenever possible each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. A determination that any provision of this Agreement is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and any determination that the application of any provision of this Agreement to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

7.15 Secured Party may, by any employee or employees it designates, execute, sign, indorse, transfer or deliver in the name of Debtor, notes, checks, drafts or other instruments for the payment of money and receipts or any other documents necessary to evidence, perfect and realize upon the security interests and obligations of this Agreement.

7.16 The pronouns used in this Agreement are in the masculine or neuter genders but shall be construed as feminine, masculine or neuter as occasion may require "Secured Party" and "Debtor" as used in this Agreement include the successors, receivers, trustees and assigns of those parties.

7.17 The section headings appearing in this Agreement have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this Agreement. Terms used in this Agreement which are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined.

7.18 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and the applicable laws of the United States of America.

EXECUTED as of the ___ day of March 2002.

DEBTOR:

DATA RACE, INC.

By *[Signature]*
James G. Scogin,
Chief Financial Officer

SECURED PARTY:

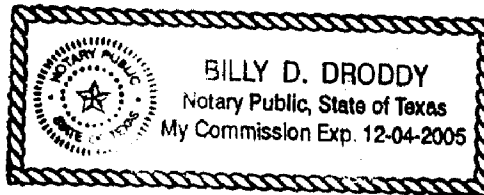
TRAVELERS CASUALTY AND SURETY
COMPANY OF AMERICA

By: *[Signature]*
Peter J. Uzzi, Bond Claim Counsel,
Executive Liability

STATE OF TEXAS)
)
)
COUNTY OF COLLIN)

This instrument was acknowledged before me by the said James G. Scogin, Chief Executive Officer of Data Race, Inc., on the 29th day of March 2002.

[Signature]
Notary Public in and for Collin County,
Texas



STATE OF CONNECTICUT)
)
)
COUNTY OF HARTFORD)

This instrument was acknowledged before me by the said Peter J. Uzzi, Bond Counsel,
Executive Liability of Travelers Casualty and Surety Company of America on the ~~2nd~~ day of
~~March~~ 2002.
April

Carola Thompson

Notary Public in and for Hartford County,
Connecticut

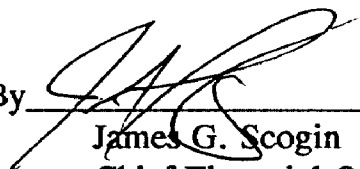
MY COMMISSION EXPIRES DEC. 31, 2002

DATA RACE, INC.

ACKNOWLEDGMENT OF COLLATERAL DESCRIPTION


The undersigned, James G. Scogin, Chief Financial Officer of Data Race, Inc., and the signatory of that certain Security Agreement (the undersigned' s signature being notarized and acknowledged on March 29, 2002) in which Data Race, Inc., has granted Travelers Casualty and Surety Company of America ("Travelers") a security interest in certain collateral to secure the repayment of that certain Secured Promissory Note in the principal amount of \$132,000 dated March 22, 2002, hereby acknowledges that the "Collateral" referenced in the said Security Agreement is that attached to this Acknowledgment as Exhibit A "Financing Statement Addendum-Description of Collateral." Exhibit A may be attached or affixed to the Security Agreement and to any financing statement or other document Travelers may elect to file to perfect the security interests granted by Data Race, Inc., via the Security Agreement.

DATA RACE, INC.

By 
James G. Scogin
Chief Financial Officer

STATE OF TEXAS)
COUNTY OF COLLIN)

This instrument was acknowledged before me by the said James G. Scogin, Chief Financial Officer of Data Race, Inc., on the 2nd day of April 2002.


Notary Public in and for Collin County,
Texas

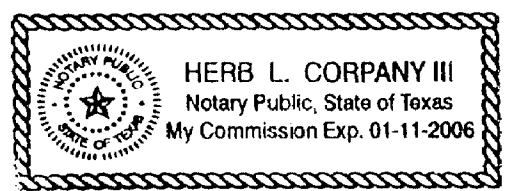


EXHIBIT A

FINANCING STATEMENT ADDENDUM

Debtor: DATA RACE, INC.

Secured Party: TRAVELERS CASUALTY & SURETY COMPANY OF AMERICA

Description of Collateral

All personal property of debtor (other than fixtures) now owned or hereafter acquired (the "Collateral") including, but not limited to, the following:

- (a) Accounts. Any and all accounts, accounts receivable, receivables, contract rights, book debts, checks, notes, drafts, instruments, chattel paper, acceptances, choses in action, any and all amounts due to Debtor from a factor or other forms of obligations and receivables now existing or hereafter arising out of the business of Debtor, as well as any and all returned, refused and repossessed goods, and the cash or non-cash proceeds resulting therefrom.
- (b) Inventory. Any and all of Debtor's inventory, including without limitation any and all goods held for sale or lease or being processed for sale or lease in Debtor's business as now or hereafter conducted, whether now owned or hereinafter acquired, including all materials, goods and work in process, finished goods, and other tangible property held for sale or lease or furnished or to be furnished under contracts of service or used or consumed in Debtor's business, along with all documents (including documents of title) covering inventory, all cash and non-cash proceeds from the sale of inventory including proceeds from insurance.
- (c) Equipment. Any and all of Debtor's furnishings and equipment, wherever located, whether now owned or hereafter acquired, together with all increases, parts, fittings, accessories, equipment, and special tools now or hereafter used in connection therewith, and all products, additions, substitutions, accessions, and all cash and non-cash proceeds, including proceeds from insurance thereof and thereto.
- (d) Instruments and/or Investment Property. All investment property, negotiable instruments, promissory notes, and documents of title owned or to be owned by Debtor, certificates of deposit, and all liens, security agreements, leases and other contracts securing or otherwise relating to any of said investment property, instruments or documents, and all cash and non-cash proceeds and products thereof and such additional property received or distributed in respect of or in exchange for all or any of such investment property, instruments or documents.
- (e) General Intangibles. All patents, trademarks, service marks, trade secrets, copyrights and exclusive licenses (whether issued or pending) and all documents, applications,

FINANCING STATEMENT ADDENDUM
(continued)

Debtor: DATA RACE, INC.

Secured Party: TRAVELERS CASUALTY & SURETY COMPANY OF AMERICA

materials and other matters related thereto, all inventions, and all manufacturing, engineering and production plans, drawings, specifications, processes and systems, all trade names, computer programs, data bases, systems and software (including source and object codes), goodwill, choses in action and all other general intangibles of Debtor including those items set forth on the attached list, whether now owned or hereafter acquired and all cash and non-cash proceeds thereof, and all chattel paper, documents and instruments relating to such intangibles.

“Patents” includes patents, patent applications and patentable inventions, including but not limited to those set forth in the following “List of Intellectual Property” and (a) the inventions and improvements described and claimed therein, (b) any continuation, division, renewal, extension, substitute or reissue thereof or any legal equivalent in a foreign country for the full term or terms for which the same may be granted, (c) all rights to income, royalties, profits, license fees, awards, damages or other rights relating to said patents, applications or inventions, including the right to sue for past, present or future infringement, and (d) any other rights and benefits to said patents, applications or inventions.

“Trademarks” includes all of Debtor’s trademarks, trademark applications and the goodwill underlying or associated with those trademarks, including but not limited to those listed in the following “List of Intellectual Property” and (a) any similar marks or amendments, modifications and renewals thereof and the goodwill represented by those trademarks thereon (including all development work, manufacturing procedures, quality control procedures and product specifications relating to products or services sold or marketed under such trademarks) and any legal equivalent in a foreign country for the full term or terms for which the same may be granted, (b) all rights to income, royalties, profits, license fees, damages or other rights relating to said trademarks including the right to sue for past, present or future infringement, and (c) any other rights and benefits relating to said trademarks, including any rights as a licensor or licensee of said trademarks.

- (f) Deposit Accounts and Letters of Credit. All deposit accounts of Debtor, and all interests of debtor under letters of credit, now owned or hereafter acquired.
- (g) Related Property. All substitutes and replacements for, accessions, attachments and other additions to, tools, parts and equipment used in connection with, and proceeds and products of, the above Collateral (including all income and benefits resulting from any of the above, such as dividends payable or distributable in cash, property or stock;

FINANCING STATEMENT ADDENDUM
(continued)

Debtor: DATA RACE, INC.

Secured Party: TRAVELERS CASUALTY & SURETY COMPANY OF AMERICA

interest, premium and principal payments; redemption proceeds and subscription of rights; all certificates of title, manufacturer's statements of origin, other documents, accounts and chattel paper arising from or related to the above Collateral, and returned or repossessed Collateral, any of which, if received by debtor, upon request shall be delivered immediately to Secured Parties).

- (h) Claims. Any claim of Debtor against a third party, now or hereafter existing, liquidated or unliquidated, and all money, instruments, securities, documents, chattel paper, credits, claims, demands, income, and any other property, rights and interests of debtor which at any time shall come into the possession or custody or under the control of a Secured party or any of its agents, affiliates or correspondents, for any purpose, and the proceeds of any thereof Secured Parties shall be deemed to have possession of any of the Collateral in transit to or set apart for it or any of its agents, affiliates or correspondents.
- (i) Collateral Not to Include Real Property. The term Collateral shall not include any real property or leasehold interests owned or held by Debtor.

FINANCING STATEMENT ADDENDUM
(continued)

Debtor: DATA RACE, INC.

Secured Party: TRAVELERS CASUALTY & SURETY COMPANY OF AMERICA

LIST OF INTELLECTUAL PROPERTY

ISSUED PATENTS

COUNTRY	TITLE	INVENTORS	PATENT NO.	ISSUE DATE	SERIAL NO.	FILING DATE
U.S.	SYSTEM AND METHOD FOR PROVIDING A REMOTE USER WITH A VIRTUAL PRESENCE TO AN OFFICE	Leven B. Staples W. B. Barker Kenneth L. Witt	6,301,339	10/09/01	08/995,765	12/22/97
U.S.	SYSTEM AND METHOD FOR RINGING OTHER SUBSCRIBER TELEPHONES CONNECTED TO A TELEPHONE LINE DURING DATA COMMUNICATIONS ON THE TELEPHONE LINE	Leven E. Staples W. B. Barker	6,295,357	09/25/01	08/888,406	07/07/97
U.S.	SYSTEM & METHOD FOR LOW OVERHEAD MULTIPLEXING OF REAL-TIME AND NON-REAL-TIME DATA	David C. Oliver	6,292,484	09/18/01	09/100,778	06/10/98
U.S.	LINE POWERED MODEM	Winston Ninh	6,212,274	04/03/01	08/968,956	11/12/97

FINANCING STATEMENT ADDENDUM
(continued)

Debtor: DATA RACE, INC.

Secured Party: TRAVELERS CASUALTY & SURETY COMPANY OF AMERICA

COUNTRY	TITLE	INVENTORS	PATENT NO.	ISSUE DATE	SERIAL NO.	FILING DATE
U.S.	SYSTEM AND METHOD FOR HANDLING UNDERRUN OF COMPRESSED SPEECH FRAMES DUE TO UNSYNCHRONIZED RECEIVE AND TRANSMIT CLOCK RATES	David C. Oliver Edwin A. Bertness	6,064,693	05/16/00	08,845,639	05/01/97
U.S.	SYSTEM AND METHOD FOR SUPPRESSING FAR END ECHO OF VOICE ENCODED SPEECH	Edwin A. Bertness David C. Oliver	6,044,108	03/28/00	08/864,416	05/28/97
U.S.	PC CARD MODEM WITH MICROPHONE AND SPEAKER CONNECTIVITY	Leven E. Staples	6,009,151	12/28/99	08/703,444	08/27/96
U.S.	SYSTEM AND METHOD FOR PROVIDING A REMOTE USER WITH A VIRTUAL PRESENCE TO AN OFFICE	Leven E. Staples W. B. Barker Kenneth L. Witt	5,889,845	03/30/99	08/740,775	11/01/96
U.S.	TELEPHONY ADAPTER SYSTEM FOR PROVIDING A USER WITH A VIRTUAL PRESENCE TO AN OFFICE	Thomas D. Hosbach Bryan E. albert Frank A. Altschuler	5,870,465	02/09/99	08/915,920	08/21/97
U.S.	COMPUTER SYSTEM WHICH PROVIDES ANALOG AUDIO COMMUNICATION BETWEEN A PC CARD AND THE COMPUTER'S SOUND SYSTEM	Leven E. Staples	5,799,036	08/25/98	08/496,537	06/29/95

FINANCING STATEMENT ADDENDUM
(continued)

Debtor: DATA RACE, INC.

Secured Party: TRAVELERS CASUALTY & SURETY COMPANY OF AMERICA

COUNTRY	TITLE	INVENTORS	PATENT NO.	ISSUE DATE	SERIAL NO.	FILING DATE
U.S.	SYSTEM AND METHOD FOR PROVIDING A REMOTE USER WITH VIRTUAL PRESENCE TO AN OFFICE	Leven E. Staples W. B. Barker Kenneth L. Witt	5,764,639	06/09/98	08/559,472	11/15/95
U.S.	SYSTEM FOR MULTIPLEXING PINS OF A PC CARD SOCKET AND PC CARD BUS ADAPTER FOR PROVIDING AUDIO COMMUNICATION BETWEEN PC CARD AND COMPUTER SOUNDS SYSTEM	Levin E. Staples	5,752,082	05/12/98	08/544,054	10/17/95
U.S.	METHOD AND APPARATUS FOR COMMUNICATING DATA OVER A RADIO TRANSCEIVER WITH A MODEM	Levin E. Staples	5,483,576	01/09/96	08/457,742	06/01/95
U.S.	FULL DUPLEX SPLIT-SPEED DATA COMMUNICATION UNIT FOR REMOTE DTB	Leven E. Staples	4,597,073	06/24/86	770,146	08/27/85

FINANCING STATEMENT ADDENDUM
(continued)

Debtor: DATA RACE, INC.

Secured Party: TRAVELERS CASUALTY & SURETY COMPANY OF AMERICA

PENDING PATENT APPLICATIONS

COUNTRY	TITLE	INVENTORS	SERIAL NO.	FILING DATE
U.S.	LINE POWERED MODEM	Winston Ninh	09/756,016	01/05/01
U.S.	VIRTUAL PRESENCE OVER IP	W. B. Barker Kenneth L. Witt David C. Oliver	60/218,077	07/20/00
U.S.	SYSTEM AND METHOD FOR COMMUNICATING AUDIO INFORMATION BETWEEN A COMPUTER AND A DUPLEX SPEAKERPHONE MODEM	Pat Marcia		01/11/00
U.S.	SYSTEM AND METHOD FOR PROVIDING USER CONNECTIVITY TO A REMOTE DATA SITE ON A COMMUNICATION LINE WHILE MAINTAINING TELEPHONE CONNECTIVITY ON THE COMMUNICATION LINE	W. B. Barker	08/708,267	01/07/00
U.S.	SYSTEM FOR SIMULTANEOUS REAL-TIME AND REGULAR DATA TRANSFERS BETWEEN A REMOTE CLIENT AND A DATA NETWORK	W. B. Barker	09/461,768	12/15/99
U.S.	MINIMAL DELAY REAL-TIME DATA TRANSPORT MECHANISM	David C. Oliver	09/318,785	05/25/99
PCT	MODEM TRANSFER MECHANISM WHICH PRIORITIZES REAL-TIME DATA TRANSFER OVER REGULAR DATA TRANSFERS	David C. Oliver	PCT/US00/02266	01/28/99
U.S.	SOFTWARE BE THERE CLIENT	David C. Oliver	09/238,820	01/28/99

FINANCING STATEMENT ADDENDUM
(continued)

Debtor: DATA RACE, INC.

Secured Party: TRAVELERS CASUALTY & SURETY COMPANY OF AMERICA

COUNTRY	TITLE	INVENTORS	SERIAL NO.	FILING DATE
U.S.	ESP	David C. Oliver	09/238,819	01/28/99
PCT	IMPLEMENTING SPECIAL PROTOCOLS USING STANDARD MODEMS	David C. Oliver	PCT/US00/02168	01/28/99
U.S.	ESCAPE SEQUENCE PROTOCOL FOR MULTIPLEXING REAL-TIME DATA WITH NON-REAL-TIME DATA	David C. Oliver	PCT/US00/002263	01/28/99
U.S.	LOW-LOSS LINE POWERED MODEM	Paul Alesu Winston Ninh	09/157,709	09/21/98
EUROPE	SYSTEM AND METHOD FOR PROVIDING A REMOTE USER WITH A VIRTUAL PRESENCE TO AN OFFICE	Leven B. Staples W. B. Barker Kenneth L. Witt	96936483.5	04/15/98
JAPAN	SYSTEM AND METHOD FOR PROVIDING A REMOTE USER WITH A VIRTUAL PRESENCE TO AN OFFICE	Leven B. Staples W. B. Barker Kenneth L. Witt	9518841/1997	02/13/98
PCT	SYSTEM AND METHOD FOR PROVIDING USER CONNECTIVITY TO A REMOTE DATA SITE ON A COMMUNICAITON LINE WHILE MAINTAINING TELEPHONE CONNECTIVITY ON THE COMMUNICATION LINE	W. B. Barker	PCT/US97/15450	09/03/97
U.S.	SYSTEM AND METHOD FOR COMMUNICATING AUDIO INFORMATION BETWEEN A COMPUTER AND A DUPLEX SPEAKERPHONE MODEM	Pat Marcie	08/870,198	06/06/97

FINANCING STATEMENT ADDENDUM
(continued)

Debtor: DATA RACE, INC.

Secured Party: TRAVELERS CASUALTY & SURETY COMPANY OF AMERICA

COUNTRY	TITLE	INVENTORS	SERIAL NO.	FILING DATE
U.S.	SYSTEM AND METHOD FOR PROVIDING USER CONNECTIVITY TO A REMOTE DATA SITE ON A COMMUNICATION LINE WHILE MAINTAINING TELEPHONE CONNECTIVITY ON THE COMMUNICATION LINE	Robert C. Boykin David C. Oliver W. B. Barker	08/864,203	05/28/97
PCT	SYSTEM AND METHOD FOR PROVIDING A REMOTE USER WITH A VIRTUAL PRESENCE TO AN OFFICE	Leven E. Staples W. B. Barker	PCT/US96/16455	10/15/96
EUROPE	SYSTEM AND METHOD FOR PROVIDING USER CONNECTIVITY TO A REMOTE DATA SITE ON A COMMUNICATION LINE WHILE MAINTAINING TELEPHONE CONNECTIVITY ON THE COMMUNICATION LINE (HOGAN ISP)	W. B. Barker		

FINANCING STATEMENT ADDENDUM
(continued)

Debtor: DATA RACE, INC.

Secured Party: TRAVELERS CASUALTY & SURETY COMPANY OF AMERICA

ABANDONED PATENT APPLICATIONS

COUNTRY	TITLE	INVENTORS	SERIAL NO.	FILING DATE
U.S.	MINIMAL DELAY REAL-TIME DATA TRANSPORT MECHANISM	David C. Oliver	60/117,916	01/29/99
U.S.	LINE POWERED MODEM	Winston Ninth	60/050,878	06/26/97
U.S.	SYSTEM & METHOD FOR QUASI TIME DIVISION MULTIPLEXING	David C. Oliver	60/049,182	06/11/97
U.S.	SYSTEM AND METHOD FOR COMMUNICATING AUDIO INFORMATION BETWEEN A COMPUTER AND A DUPLEX SPEAKERPHONE MODEM	Pat Marcie	08/870,198	06/06/97
U.S.	SYSTEM AND METHOD FOR HANDLING UNDERRUN OF COMPRESSED SPEECH FRAMES DUE TO UNSYNCHRONIZED RECEIVE AND TRANSMIT CLOCK RATES	David C. Oliver Edwin A. Bertness	60/039,223	02/28/97
	SYSTEM AND METHOD FOR PROVIDING USER CONNECTIVITY TO A REMOTE DATA SITE ON A COMMUNICATION LINE WHILE MAINTAINING TELEPHONE CONNECTIVITY ON THE COMMUNICATION LINE	W. B. Barker	08/708,267	09/06/96
	MODEM HAVING DIGITAL SIMULTANEOUS VOICE, DATA AND FAX CAPABILITIES	Levin E. Staples		

**DATA RACE, INC. (D/B/A IP AXESS)
TRADEMARKS**

TRADEMARK	CLASS(ES) AND GOODS/SERVICES	COUNTRY (STATE)	OWNERSHIP/ LICENSE INFORMATION	REGISTRATION NO. & DATE (SERIAL NO. & FILING DATE)	STATUS/ACTIONS
<p>AXESS THE FUTURE OF REMOTE COMMUNICATIONS</p>	<p>9: Electronic hardware and computer software, namely, hardware and software used for accessing a remote office computer network, remote facsimile machine, and remote private branch exchange (PBX); electronic hardware and computer software for telecommuting; electronic hardware and computer software for enabling a remote user's telephone, connected to the public switched telephone network (PSTN), cable modem, or DSL line to behave as a PBX extension of the user's office telephone system; electronic hardware and computer software to enable a user to connect to a computer network and receive incoming telephone calls with the use of a single telephone, cable modem or DSL line without disconnecting them from the computer network; electronic hardware and computer software enabling an incoming telephone call, traveling over a telephone, cable modem or DSL line that is currently being used by the recipient, to ring all individual telephones at the recipient's home or office; electronic hardware and computer software to forward and route telephone calls directed to a user's office extension to a telephone at the user's home or some other remote location; and electronic hardware and computer software for forwarding and routing a user's electronic mail from one computer to another computer.</p>	<p>U.S.</p>	<p>Data Race, Inc.</p>	<p>(76037,484 July 11, 2000)</p>	

DATA RACE, INC.

TRADEMARK	CLASS(ES) AND GOODS/SERVICES	COUNTRY (STATE)	OWNERSHIP/ LICENSE INFORMATION	REGISTRATION NO. & DATE (SERIAL NO. & FILING DATE)	STATUS/ACTIONS
BE THERE	9: Electronic hardware and computer software, namely multiplexers and software, used for accessing a remote office computer network, remote facsimile machines, and remote private branch exchange (PBX); electronic hardware and computer software for telecommuting; electronic hardware and computer software for enabling a remote user's telephone, connected through the public switched telephone network (PSTN), to behave as a PBX extension of the user's office telephone system; electronic hardware and computer software to enable a user to connect to a computer network and receive incoming telephone calls with the use of a single telephone line without disconnecting from the computer network; electronic hardware and computer software enabling an incoming telephone call traveling over a telephone line that is currently being used by the recipient, to ring all individual telephones at the recipient's home or office; electronic hardware and computer software to forward and route telephone calls directed to a user's office extension to a telephone at the user's home or some other remote location; and electronic hardware and computer software for forwarding and routing a user's electronic mail from one computer to another computer.	U.S.	Data Race, Inc.	2,219,197 January 19, 1999 (75079,634 December 8, 1995)	§ 8, 15 affidavits due between January 19, 2004 and January 19, 2005. Renewal due January 19, 2009.
BE THERE! & Design					Application on hold.
DATA RACE (stylized)	9: Electrical communications equipment, namely, modems and multiplexers.	U.S.	Data Race, Inc.	1,727,262 October 27, 1992 (74237,459 January 10, 1992)	Renewal due October 27, 2002.
DATA RACE & DESIGN	9: Electrical communications equipment, namely, modems and multiplexers.	CANADA	Data Race, Inc.	TMA478034 June 18, 1997 (074238800 November 29, 1993)	Renewal due June 18, 2012.
DATA RACE (stylized)	9: Electrical and electronic communications equipment, modems, multiplexers, parts and fittings for all the aforesaid goods.	UK	Data Race, Inc.	1,554,721 November 24, 1993	Renewal due November 24, 2010.
DATA RACE (stylized)	9: Electrical communications equipment, namely modems and multiplexers.	GERMANY	Data Race, Inc.	2 077 575 September 15, 1994 (U 53 7879 WZ)	Renewal due November 26, 2003.

DATA RACE, INC.

TRADEMARK	CLASS(ES) AND GOODS/SERVICES	COUNTRY (STATE)	OWNERSHIP/ LICENSE INFORMATION	REGISTRATION NO. & DATE (SERIAL NO. & FILING DATE)	STATUS/ACTIONS
DESIGN ONLY ("Reodynata")	9: Modems and statistical multiplexers and peripheral hardware for use with same.	U.S.	Data Race, Inc.	1,881,499 March 7, 1995 (74/328,952 November 5, 1992)	Abandoned per official's request of June 7, 2000.
FLEXPLACE	9: Electronic hardware and computer software, namely, multiplexers and software, used for connecting a remote office computer network, remote facsimile machine, and remote private branch exchange (PBX); electronic hardware and computer software for teleconferencing; electronic hardware and computer software for enabling a remote user's telephone, connected to the public switched telephone network (PSTN), to behave as a PBX extension of the user's office telephone system; electronic hardware and computer software to enable a user to connect to a computer network and receive incoming telephone calls with the use of a single telephone line without disconnecting them from the computer network; electronic hardware and computer software enabling an incoming telephone call, traveling over a telephone line that is currently being used by the recipient, to ring all individual telephones at the recipient's home or office; electronic hardware and computer software to forward and route telephone calls directed to a user's office extension to a telephone at the user's home or some other remote location; and electronic hardware and computer software for forwarding and routing a user's electronic mail from one computer to another computer.	U.S.	Data Race, Inc.		Application to be filed

DATA RACE, INC.

TRADEMARK	CLASS(ES) AND GOODS/SERVICES	COUNTRY (STATE)	OWNER(S)/ LICENSE INFORMATION	REGISTRATION NO. & DATE (SERIAL NO. & FILING DATE)	STATUS/ACTIONS
FLEXWORK	<p>9: Electronic hardware and computer software, namely, multiplexers and software, used for accessing a remote office computer network, remote facsimile machine, and remote private branch exchange (PBX); electronic hardware and computer software for teleconferencing; electronic hardware and computer software for enabling a remote user's telephone, connected to the public switched telephone network (PSTN), to behave as a PBX extension of the user's office telephone system; electronic hardware and computer software to enable a user to connect to a computer network and receive incoming telephone calls with the use of a single telephone line without disconnecting them from the computer network; electronic hardware and computer software enabling an incoming telephone call, traveling over a telephone line that is already being used by the recipient, to ring all individual telephones at the recipient's home or office; electronic hardware and computer software to forward and route telephone calls directed to a user's office extension to a telephone at the user's home or some other remote location; and electronic hardware and computer software for forwarding and routing a user's electronic mail from one computer to another computer.</p>	U.S.	Data Race, Inc.	(75/928,219 February 25, 2000)	<p>Second Request for Corrected Filing Receipt filed December 1, 2000.</p> <p>Notice of Allowance date: March 6, 2001.</p> <p>Statistical of use or request for extension due September 6, 2001.</p> <p><i>Abandoned</i></p>
FUTURE PROOF	<p>9: Electronic hardware and related operating system software for use in telecommunications; electronic telecommunications hardware and related operating system software used to transmit and receive multiple sets of information simultaneously over a single transmission line (i.e., a single telephone line); electronic telecommunications hardware and related operating system software to perform multiplexing functions to combine several sets of signals and send the combined signal over a single transmission line; electronic telecommunications hardware and related operating system software to perform de-multiplexing functions to receive a signal and to separate the signal into its component parts; electronic telecommunications hardware and related operating system software to integrate computer data, voice signals, and/or Local/Wide Area Network (LAN/WAN) data over a single (or set of single) connections from one location to another location by means of various industry available transmission media.</p>	U.S.	Data Race, Inc.	<p>2,178,904 August 4, 1998</p> <p>(75/029,626 December 8, 1995)</p>	<p>§ 8, 15 affidavits due between August 4, 2003 and August 4, 2004.</p> <p>Renewal due August 4, 2008.</p>

DATA RACE, INC.

TRADEMARK	CLASS(ES) AND GOODS/SERVICES	COUNTRY (STATE)	OWNERSHIP/ LICENSE INFORMATION	REGISTRATION NO. & DATE (SERIAL NO. & FILING DATE)	STATUS/ACTIONS
FUTURE PROOF NETWORKS ® & DESIGN	9: Telecommunications hardware and software.	U.S.	Data Race, Inc.	2,174,265 July 21, 1998 (75/149,433 August 13, 1996)	§ 8, 15 affidavits due between July 21, 2003 and July 21, 2004. Renewal due July 21, 2008.
IP ACCESS	9: Electronic hardware and computer software, namely, multiplexers and software, used for accessing a remote office computer network, remote facsimile machine, and remote private branch exchange (PBX); electronic hardware and computer software for teleconferencing; electronic hardware and computer software for enabling a remote user's telephone, connected to the public switched telephone network (PSTN), cable modem, or DSL line to behave as a PBX extension of the user's office telephone system; electronic hardware and computer software to enable a user to connect to a computer network and receive incoming telephone calls with the use of a single telephone, cable modem or DSL line without disconnecting them from the computer network; electronic hardware and computer software enabling an incoming telephone call, traveling over a telephone, cable modem or DSL line that is currently being used by the recipient, to ring all individual telephones at the recipient's home or office; electronic hardware and computer software to forward and route telephone calls directed to a user's office extension to a telephone at the user's home or some other remote location; and electronic hardware and computer software for forwarding and routing a user's electronic mail from one computer to another computer.	U.S. (ITU)	Data Race, Inc.	(76/026,261 April 13, 2000)	Request for Corrected Filing Receipt submitted August 16, 2000. Notice of Publication received; mark will be published for opposition in the May 15, 2001 Official Gazette.

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TRADEMARK	CLASS(ES) AND GOODS/SERVICES	COUNTRY (STATE)	OWNERSHIP/ LICENSE INFORMATION	REGISTRATION NO. & DATE (SERIAL NO. & FILING DATE)	STATUS/ACTIONS
IP ACCESS & DESIGN	<p>9: Electronic hardware and computer software, namely, multiplexers and software used for accessing a remote office computer network, remote facsimile machine, and remote private branch exchange (PBX); electronic hardware and computer software for teleconferencing; electronic hardware and computer software for enabling a remote user's telephone, connected to the public switched telephone network (PSTN), cable modem, or DSL line to behave as a PBX extension of the user's office telephone system; electronic hardware and computer software to enable a user to connect to a computer network and receive incoming telephone calls with the use of a single telephone, cable modem or DSL line without disconnecting them from the computer network; electronic hardware and computer software enabling an incoming telephone call, traveling over a telephone, cable modem or DSL line that is currently being used by the recipient, to ring all individual telephones at the recipient's home or office; electronic hardware and computer software to forward and route telephone calls directed to a user's office extension to a telephone at the user's home or some other remote location; and electronic hardware and computer software for forwarding and routing a user's electronic mail from one computer to another computer.</p>	U.S. (ITU)	Data Race, Inc.	<p>(76/024,632 April 13, 2000)</p> <p>Reg. 2486325 9/4/01</p>	<p>Notice of Allowance dated April 24, 2001. Statement of Use filed May 17, 2001.</p>
IP ACCESS	<p>42: Computer services, namely, installation of electronic computer software and hardware to facilitate connection to and use of a remote office computer network, remote facsimile machine, remote telephone, and/or remote private branch exchange (PBX); computer services, namely, installation of electronic computer software and hardware to facilitate teleconferencing; computer services, namely, installation of electronic computer hardware and software to facilitate the sending and receiving of information from an office computer network, telephone, electronic mail, facsimile machine, or private branch exchange (PBX) to or from a remote location; computer consultation services, namely, consultation provided to users and employees for the connection to and use of a remote office computer network, remote facsimile machine, remote telephone, and/or remote private branch exchange (PBX)</p>	U.S.		(76/182,066 December 14, 2000)	<p>Forward to S. Townley's May 17, 2001 instructions, do not pursue foreign priority filing.</p>

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TRADEMARK	CLASS(ES) AND GOODS/SERVICES	COUNTRY (STATE)	OWNERSHIP/ LICENSE INFORMATION	REGISTRATION NO. & DATE (SERIAL NO. & FILING DATE)	STATUS/ACTIONS
JUST LIKE BEING THERE	9: Electronic hardware and computer software, namely multiplexers and software, used for accessing a remote office computer network, remote facsimile machine, and remote private branch exchange (PBX); electronic hardware and computer software for teleconferencing; electronic hardware and computer software for enabling a remote user's telephone, connected through the public switched telephone network (PSTN), to behave as a PBX extension of the user's office telephone system; electronic hardware and computer software to enable a user to connect to a computer network and receive incoming telephone calls with the use of a single telephone line without disconnecting from the computer network; electronic hardware and computer software enabling an incoming telephone call, traveling over a telephone line that is currently being used by the recipient, to ring all individual telephones at the recipient's home or office; electronic hardware and computer software to forward and route telephone calls directed to a user's office extension to a telephone at the user's home or some other remote location; and electronic hardware and computer software for forwarding and routing a user's electronic mail from one computer to another computer.	U.S.	Data Race, Inc.	(75/029,627 December 8, 1995)	Abandoned
MACH	9: Electrical communications equipment, namely, multiplexers.	U.S.	Data Race, Inc.	(881,891 March 7, 1995) (74/221,541 November 12, 1991)	Abandoned per client's request of June 7, 2000.
NETESCORT	9: Telecommunications hardware and software and associated telecommunications.	U.S.	Data Race, Inc.	(75/136,607 July 19, 1996)	Abandoned per client's request of June 7, 2000. Notice of Abandonment received from Patent and Trademark Office.

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TRADEMARK	CLASSES) AND GOODS/SERVICES	COUNTRY (STATE)	OWNERSHIP/ LICENSE INFORMATION	REGISTRATION NO. & DATE (SERIAL NO. & FILING DATE)	STATUS/ACTIONS
TELEPRESENCE	<p>9: Electronic hardware and computer software, namely multiplexers and software, used for accessing a remote office computer network, remote facsimile machines, and remote private branch exchange (PBX); electronic hardware and computer software for teleconferencing; electronic hardware and computer software for enabling a remote user's telephone, connected to the public switched telephone network (PSTN), to behave as a PBX extension of the user's office telephone system; electronic hardware and computer software to enable a user to connect to a computer network and receive incoming telephone calls with the use of a single telephone line without disconnecting from the computer network; electronic hardware and computer software enabling an incoming telephone call, traveling over a telephone line that is currently being used by the recipient, to ring all individual telephones at the recipient's home or office; electronic hardware and computer software to forward and route telephone calls directed to a user's office extension to a telephone at the user's home or some other remote location; and electronic hardware and computer software for forwarding and routing a user's electronic mail from one computer to another computer.</p>	U.S.	Data Race, Inc.	(75/029,522 December 8, 1995)	<p>Statement of Use filed January 25, 2001.</p> <p>Third Request for Extension of Time to file SOU granted until July 27, 2001.</p> <p>Response to Office Action No. 1 due September 29, 2001.</p>
VOCALWARE	<p>9: Electronic hardware and computer software, namely, multiplexers and software, used for accessing a remote office computer network, remote facsimile machines, and remote private branch exchange (PBX); electronic hardware and computer software for teleconferencing; electronic hardware and computer software for enabling a remote user's telephone, connected to the public switched telephone network (PSTN), to behave as a PBX extension of the user's office telephone system; electronic hardware and computer software to enable a user to connect to a computer network and receive incoming telephone calls with the use of a single telephone line without disconnecting them from the computer network; electronic hardware and computer software enabling an incoming telephone call, traveling over a telephone line that is currently being used by the recipient, to ring all individual telephones at the recipient's home or office; electronic hardware and computer software to forward and route telephone calls directed to a user's office extension to a telephone at the user's home or some other remote location; and electronic hardware and computer software for forwarding and routing a user's electronic mail from one computer to another computer.</p>	U.S.	Data Race, Inc.	(75/811,825 September 29, 1999)	<p>Notice of Allowance date February 27, 2001.</p> <p>Statement of use or extension request due August 27, 2001.</p>

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TRADEMARK	CLASS(ES) AND GOODS/SERVICES	COUNTRY (STATE)	OWNERSHIP/ LICENSE INFORMATION	REGISTRATION NO. & DATE (SERIAL NO. & FILING DATE)	STATUS/ACTIONS
VOCALWARE REALPHONE	9: Electronic hardware and computer software used for accessing a remote office computer network, remote facsimile machine, and remote private branch exchange (PBX); electronic hardware and computer software for teleconferencing; electronic hardware and computer software for enabling a remote user's telephone, connected to the public switched telephone network (PSTN), cable modem, or DSL line to behave as a PBX extension of the user's office telephone system; electronic hardware and computer software to enable a user to connect to a computer network and receive incoming telephone calls with the use of a single telephone, cable modem or DSL line without disconnecting them from the computer network; electronic hardware and computer software enabling an incoming telephone call, traveling over a telephone, cable modem or DSL line that is currently being used by the recipient, to ring all individual telephones at the recipient's home or office; electronic hardware and computer software to forward and route telephone calls directed to a user's office extension to a telephone at the user's home or some other remote location; and electronic hardware and computer software for forwarding and routing a user's electronic mail from one computer to another computer.	U.S.	Data Race, Inc.	(76/017,033 April 4, 2000)	Notice of Allowance dated May 8, 2001. Statement of Use or extension request due November 8, 2001.
CELLULA- READY (Stylized)	9: modems and multiplexers	U.S.	Data Race, Inc.	1,874,891 January 17, 1995 (74/446,353 October 12, 1993)	
REDICARD (Stylized)	9: modems	U.S.	Data Race, Inc.	1,838,994 June 7, 1994 (74/326,527 October 23, 1992)	cancelled
REDIMODEM	9: modems	U.S.	Data Race, Inc.	1,844,256 July 12, 1994 (74/436,150 September 14, 1993)	cancelled