



07-12-2004

1.7.04



102787843

To the honorable Commissioner of Patents and Trademarks: Please Record the attached original documents or copy thereof:

<p>1. Name of conveying party(ies): Civigenics, Inc.</p> <p><input type="checkbox"/> Individual (s)  <input type="checkbox"/> Association(s)  <input type="checkbox"/> General Partnership  <input checked="" type="checkbox"/> Corporation - State: <u>Massachusetts</u></p> <p><input type="checkbox"/> Other: _____</p> <p>Additional name(s) of conveying party(ies) attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies): Name: <u>Wells Fargo Business Credit, Inc.</u></p> <p>Internal Address: _____</p> <p>Street Address: <u>300 Commercial Street</u></p> <p>City: <u>Boston</u> State: <u>MA</u> Zip: <u>02110</u></p> <p><input type="checkbox"/> Individual (s)  <input type="checkbox"/> Association(s)  <input type="checkbox"/> General Partnership  <input checked="" type="checkbox"/> Corporation - State: <u>Minnesota</u></p> <p><input type="checkbox"/> Other: _____</p> <p>If assigned is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No          (Designation must be a separate document from assignment)          Additional name(s) &amp; address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment  <input type="checkbox"/> Merger  <input checked="" type="checkbox"/> Security Agreement  <input type="checkbox"/> Change of Name  <input type="checkbox"/> Other: _____</p> <p>Execution Date: <u>June 22, 2004</u></p>	

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

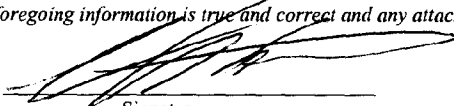
<p>A. Trademark Application No.(s)</p>	<p>B. Trademark Registration No.(s)</p> <p><u>2,421,250</u> <u>1,677,986</u></p>
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Additional number(s) attached  Yes  No

<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name: <u>Chad J. Porter, Esq.</u></p> <p>Internal Address: <u>Burns &amp; Levinson LLP</u></p> <p>Street Address: <u>125 Summer Street</u></p> <p>City: <u>Boston</u> State: <u>MA</u> Zip: <u>02110</u></p>	<p>6. Total number of application and registrations involved: ..... <u>1</u></p> <p>7. Total fee (37 CFR 3.421): ..... <u>\$80.00</u></p> <p><input checked="" type="checkbox"/> Enclosed  <input type="checkbox"/> Authorized to be charges to a deposit account</p> <p>8. Deposit Account Number: _____</p> <p>(Attached duplicate copy of this page if using deposit account)</p>
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DO NOT USE THIS SPACE

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

<p><u>Chad J. Porter</u> Name</p>	 Signature	<p><u>7/6/04</u> Date</p>
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Total number of pages including cover sheet: 13

07/09/2004 ECDOPER 00000059 2421250

01 FC:0521  
02 FC:0522

40.00 DP  
25.00 DP

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

Refund Ref:  
07/09/2004 ECDOPER 0000137379

CHECK Refund Total: \$15.00

**RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY  
ADDITIONAL PAGE**

While Civigenics, Inc. is the owner of the two trademarks, the following parties are also conveying parties under the Patent & Trademark Security Agreement being filed herewith:

**CIVIGENICS-TEXAS, INC.  
COMMUNITY CORRECTIONS, INCORPORATED  
ARAPAHOE COUNTY RESIDENTIAL CENTER, INC.  
SECON, INC.  
ADAPPT, INC.  
FENTON SECURITY, INC.**

# PATENT AND TRADEMARK SECURITY AGREEMENT

This Patent and Trademark Security Agreement, dated as of June 22, 2004, is made by CIVIGENICS, INC., a Massachusetts corporation ("CiviGenics"), CIVIGENICS-TEXAS, INC., a Texas corporation ("CTI"), COMMUNITY CORRECTIONS, INCORPORATED, a Colorado corporation ("CCI"), SECON, INC., f/k/a SECON OF NEW ENGLAND, INC., a Massachusetts corporation ("Secon"), ADAPPT, INC., a Pennsylvania corporation ("ADAPPT"), FENTON SECURITY, INC., a Pennsylvania corporation ("Fenton"), and ARAPAHOE COUNTY RESIDENTIAL CENTER, INC., a Colorado corporation ("Arapahoe", and jointly and severally, individually and collectively with CiviGenics, CTI, CCI, Secon, ADAPPT, and Fenton, referred to herein as "Debtor"), having a mailing address at c/o Civigenics, Inc., 100 Locke Drive Marlborough, MA 01752, for the benefit of WELLS FARGO BUSINESS CREDIT, INC. (the "Secured Party"), having a place of business at 300 Commercial Street, Boston, MA 02109.

## Recitals

The Debtor and the Secured Party are parties to a Credit and Security Agreement of even date herewith (as the same may hereafter be amended, supplemented or restated from time to time, the "Credit Agreement") setting forth the terms on which the Secured Party may now or hereafter extend credit to or for the account of the Debtor.

As a condition to extending credit to or for the account of the Debtor, the Secured Party has required the execution and delivery of this Agreement by the Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Obligations" means each and every debt, liability and obligation of every type and description arising under or in connection with any Loan Document (as defined in the Credit Agreement) which the Debtor may now or at any time hereafter owe to the Secured Party, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, independent, joint, several or joint and several, and including specifically, but not limited to, the Obligations (as defined in the Credit Agreement).

"Patents" means all of the Debtor's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses

thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

“Security Interest” has the meaning given in Section 2.

“Trademarks” means all of the Debtor’s right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, (iv) and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. Security Interest. The Debtor hereby irrevocably pledges and assigns to, and grants the Secured Party a security interest (the “Security Interest”), with power of sale to the extent permitted by law, in the Patents and in the Trademarks to secure payment of the Obligations. As set forth in the Credit Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of the Debtor.

3. Representations, Warranties and Agreements. The Debtor represents, warrants and agrees as follows:

(a) ***Existence; Authority.*** The Debtor is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of the Debtor.

(b) ***Patents.*** Exhibit A accurately lists all Patents owned or controlled by the Debtor as of the date hereof, or to which the Debtor has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, the Debtor owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then the Debtor shall within 60 days provide written notice to the Secured Party with a replacement Exhibit A, which upon acceptance by the Secured Party shall become part of this Agreement.

(c) ***Trademarks.*** Exhibit B accurately lists all Trademarks owned or controlled by the Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit B need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to the Debtor’s or any Affiliate’s business(es). If after the date hereof, the

Debtor owns or controls any Trademarks not listed on Exhibit B (other than common law marks which are not material to the Debtor's or any Affiliate's business(es)), or if Exhibit B ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then the Debtor shall promptly provide written notice to the Secured Party with a replacement Exhibit B, which upon acceptance by the Secured Party shall become part of this Agreement.

(d) **Affiliates.** As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by the Debtor, constitute Patents or Trademarks. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then the Debtor shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to the Debtor; or (ii) notify the Secured Party of such item(s) and cause such Affiliate to execute and deliver to the Secured Party a patent and trademark security agreement substantially in the form of this Agreement.

(e) **Title.** The Debtor has absolute title to each Patent and each Trademark listed on Exhibits A and B, free and clear of all Liens except Permitted Liens. The Debtor (i) will have, at the time the Debtor acquires any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Patents and Trademarks free and clear of all Liens except Permitted Liens.

(f) **No Sale.** Except as permitted in the Credit Agreement, the Debtor will not assign, transfer, encumber or otherwise dispose of the Patents or Trademarks, or any interest therein, without the Secured Party's prior written consent.

(g) **Defense.** The Debtor will at its own expense and using commercially reasonable efforts, protect and defend the Patents and Trademarks against all claims or demands of all Persons other than those holding Permitted Liens.

(h) **Maintenance.** The Debtor will at its own expense maintain the Patents and the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. The Debtor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing the Secured Party: (i) sufficient written notice, of at least 30 days, to allow the Secured Party to timely pay any such maintenance fees or annuities which may become due on any Patents or Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written

power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(i) ***Secured Party's Right to Take Action.*** If the Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Secured Party gives the Debtor written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtor notifies the Secured Party that it intends to abandon a Patent or Trademark, the Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(j) ***Costs and Expenses.*** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Debtor shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Secured Party at the Default Rate.

(k) ***Power of Attorney.*** To facilitate the Secured Party's taking action under subsection (i) and exercising its rights under Section 6, the Debtor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Debtor under this Section 3, or, necessary for the Secured Party, after an Event of Default, to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the payment and performance of all Obligations.

4. Debtor's Use of the Patents and Trademarks. The Debtor shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) the Debtor shall fail promptly to observe or perform any covenant or agreement contained in this Agreement which is binding on it; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Credit Agreement.

(b) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) The Secured Party may enforce the Patents and Trademarks and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

7. Notices. The Debtor hereby authorizes the Secured Party to execute and file one or more financing statements (and similar documents) or copies thereof, or of this Agreement with respect to the Patents and Trademarks signed only by the Secured Party. At any time that the Secured Party may reasonably request, the Debtor shall cooperate with the Secured Party by executing all other or further documents necessary to effect, at that time, a grant of a security interest in the Patents, Trademarks and related goodwill, as secured hereunder.

8. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Debtor and the Secured Party. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor under this Agreement

shall be given in the manner and with the effect provided in the Credit Agreement. The Secured Party shall not be obligated to preserve any rights the Debtor may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Debtor and delivered to the Secured Party, and the Debtor waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Debtor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of Massachusetts without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

**THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.**

[SIGNATURES APPEAR ON FOLLOWING PAGE]



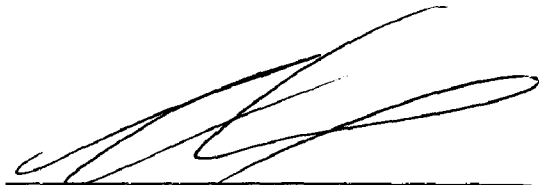
IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

WITNESS:



CIVIGENICS, INC.

By: Roy I. Ross  
Name: Roy I. Ross  
Title: President




CIVIGENICS-TEXAS, INC.

By: Roy I. Ross  
Name: Roy I. Ross  
Title: President



COMMUNITY CORRECTIONS,  
INCORPORATED

By: Roy I. Ross  
Name: Roy I. Ross  
Title: President



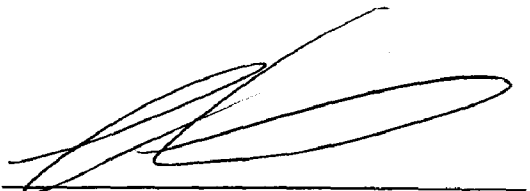
ARAPAHOE COUNTY  
RESIDENTIAL CENTER, INC.

By: Roy I. Ross  
Name: Roy I. Ross  
Title: President



SECON, INC.

By: Roy I. Ross  
Name: Roy I. Ross  
Title: President



ADAPPT, INC.

By: Roy I. Ross  
Name: Roy I. Ross  
Title: President

FENTON SECURITY, INC.

By 

Name: Roy I. Ross

Title: President

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK COUNTY

On this 22nd day of June, 2004, before me, the undersigned notary public, personally appeared Roy Ross, President of each of CIVIGENICS, INC., CIVIGENICS-TEXAS, INC., COMMUNITY CORRECTIONS, INCORPORATED, SECON, INC., ADAPPT, INC., FENTON SECURITY, INC., and ARAPAHOE COUNTY RESIDENTIAL CENTER, INC., proved to me through satisfactory evidence of identification, which was personal knowledge, to be the person whose name is signed on behalf of each of CIVIGENICS, INC., CIVIGENICS-TEXAS, INC., COMMUNITY CORRECTIONS, INC., SECON, INC., ADAPPT, INC., FENTON SECURITY, INC., and ARAPAHOE COUNTY RESIDENTIAL CENTER, INC. on the preceding or attached document, and acknowledged to me that he so signed it voluntarily for its stated purpose.

  
Notary Public

Print Name:

My Commission Expires:

Chad J. Porter  
Notary Public  
My Commission Expires  
March 26, 2010

EXHIBIT A

PATENTS

None currently.

EXHIBIT B  
TRADEMARKS, SERVICE MARKS  
AND COLLECTIVE MEMBERSHIP MARKS

SEE ATTACHED LIST

**CIVIGENICS TRADEMARKS**

<b>Reg. No.</b>	<b>Mark</b>	<b>Goods/Services</b>	<b>Reg. Date</b>	<b>Assignment Record Information</b>
2,421,250	CIVIGENICS	<p>Operation of correctional and detention facilities for others</p> <p>Criminal justice services, namely substance abuse treatment, and providing monitoring services for probation and parole.</p> <p>Criminal justice services, namely providing education and vocational training to incarcerated persons in the fields of basic life skills and employment readiness for the purpose of recidivism reduction</p>	<p>January 16, 2001</p> <p>January 16, 2011 (Renewal Deadline)</p>	<p>Security Interest granted to Massachusetts Capital Resource Company - May 31, 2001</p>
1,677,986	SECON (Stylized)	<p>Drug screening, testing and monitoring services for substance abuse; body fluid collection services; investigation services, namely, theft and background investigations and dog searches for drugs.</p>	<p>March 3, 1992 Renewed</p> <p>March 3, 2012 (Renewal Deadline)</p>	<p>Registered to Security Concepts International, Inc. of Lafayette, Louisiana.</p> <p>Assigned to Civigenics, Inc. - Jan., 18, 1999</p>