

05-29-2001



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Form PTO-1594  
(Rev. 03/01)  
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Tab settings

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

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

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

1. Name of conveying party(ies):  
**T-NETIX, INC.**  
**67 Inverness Drive East**  
**Englewood, CO 80112**  
 Individual(s)  Association  
 General Partnership  Limited Partnership  
 Corporation-State  
 Other  
Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies)  
Name: **Bank One, Colorado, NA, as Agent**  
Internal  
Address:  
Street Address: **1125 17th Street**  
City: **Denver** State: **CO** Zip: **80202**  
 Individual(s) citizenship  
 Association  
 General Partnership  
 Limited Partnership  
 Corporation-State  
 Other **national banking association**  
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

ASSIGNMENT  
DIVISION  
2001 MAY 27  
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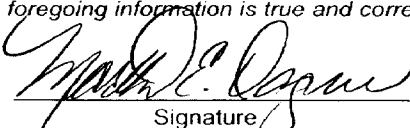
3. Nature of conveyance:  
 Assignment  Merger  
 Security Agreement  Change of Name  
 Other  
Execution Date: **Feb. 6, 2001**

4. Application number(s) or registration number(s):  
A. Trademark Application No.(s)  
B. Trademark Registration No.(s)  
**1,686,140**  
Additional number(s) attached  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:  
Name: **Martha E. Dague, Paralegal**  
Internal Address: **Cage & North, P.C.**  
Street Address: **1433 17th Street**  
City: **Denver** State: **CO** Zip: **80202**

6. Total number of applications and registrations involved: **1**  
7. Total fee (37 CFR 3.41): **\$ 40.00**  
 Enclosed  
 Authorized to be charged to deposit account  
8. Deposit account number: **40E**  
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.  
*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.*  
**Martha E. Dague**  **4/24/01**  
Name of Person Signing Signature Date  
Total number of pages including cover sheet, attachments, and document **11**

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

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ATTACHMENT TO  
RECORDATION FORM COVER SHEET  
**TRADEMARKS ONLY**

Telequip Labs, Inc.  
1820 No. Greenville Avenue  
Richardson, TX 75081

## PATENT AND TRADEMARK SECURITY AGREEMENT

This Agreement, effective as of February 6, 2001, is made by and between T-NETIX, INC., a Colorado corporation, whose address and principal place of business is 67 Inverness Drive East, Englewood, Colorado 80112 ("**Borrower**"), TELEQUIP LABS, INC., a Nevada corporation, ("**Telequip**" or "**Debtor**"), whose address and principal place of business is 1820 No. Greenville Avenue, Richardson, Texas 75081, and BANK ONE, COLORADO, NA, a national banking association ("**Agent**"), whose address and principal place of business is 1125 17<sup>th</sup> Street, Denver, Colorado 80202-2088, as agent for itself and for CoBank ACB and Intrust Bank, N.A. (collectively "**Lender**") as defined in the Loan Agreement (defined below).

### RECITALS:

A. On September 9, 1999, Borrower, Agent and Lender entered into that certain Loan Agreement, as amended by that First Amendment to Loan Agreement, dated July 11, 2000 (collectively, the "**Loan Agreement**"), under which Lender extended to Borrower a revolving credit facility (the "**Loan**") in the principal amount of up to \$40,000,000, which Loan is evidenced by three separate promissory notes dated September 9, 1999 (the "**Notes**").

B. Borrower requested and Lender advanced \$1.5 million under the Loan with which it has acquired not less than 87% of the issued and outstanding shares of the capital stock of Debtor.

C. Pursuant to Section 6.14 of the Loan Agreement, upon Borrower acquiring a new subsidiary, Borrower is required within ten (10) days of the creation or acquisition of the new subsidiary and solely at Borrower's expense to cause the new subsidiary to (1) provide a guaranty to Lender guaranteeing the Loan, (2) pledge the stock or ownership interest in the subsidiary to Agent for the benefit of Lender as additional Collateral, (3) encumber the assets of the subsidiary in favor of Agent for the benefit of Lender as additional Collateral, and (4) execute and deliver such security documents in a form and content acceptable to Agent on behalf of Lender in order to accomplish the foregoing.

D. By execution of this Agreement, Debtor is complying with the requirement that all of its assets shall be encumbered in favor of Agent for the benefit of Lender as additional Collateral.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Agreement and herein, Debtor and Agent, as agent for Lender, hereby agree as follows:

1. **Definitions.** All terms defined in the Recitals hereto or in the Loan 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:

"**Patents**" means all of 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.

"**Trademarks**" means all of Debtor's right, title and interest in and to trademarks, service marks, collective membership marks, the respective goodwill association with each, and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. Security Interest. Debtor hereby irrevocably pledges and assigns to and grants Agent, as agent for Lender, a security interest, with power of sale to the extent permitted by law (the "**Security Interest**"), in the Patents and in the Trademarks to secure payment of the Obligations.

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

(a) **Existence; Authority**. Debtor is a corporation having full power and authority to deliver this Agreement. The execution, delivery and performance of this Agreement by such Debtor have been duly authorized by all necessary action of such Debtor's board of directors, and, if necessary, its stockholders, and do not and will not violate the provisions of or constitute a default under any presently applicable law or its articles of incorporation or bylaws or any agreement presently binding on it. This Agreement has been duly executed and delivered by Debtor and constitutes Debtor's lawful, binding and legally enforceable obligation. The authorization, execution, delivery and performance of this Agreement do not require notification to, registration with, or consent or approval by, any federal, state or local regulatory body or administrative agent.

(b) **Patents**. Exhibit A accurately lists all Patents owned or controlled by Debtor as of the date hereof and accurately reflects the existence and status of registrations pertaining to the Patents as of the date hereof.

(c) **Trademarks**. Exhibit B accurately lists all Trademarks owned or controlled by Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all registrations pertaining thereto as of the date hereof.

(d) **Title**. Debtor has absolute title to its respective Patents and Trademarks listed on Exhibits A and B, free and clear of all security interests, liens and encumbrances, except the Security Interest. Debtor (i) will have, at the time such Debtor acquires any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all security interests, liens and encumbrances, except the Security Interest, and (ii) will keep all Patents and Trademarks free and clear of all security interests, liens and encumbrances except the Security Interest. Further, Debtor hereby covenants that it will notify Lender within 15 days of the acquisition of any Patents or Trademarks after the date hereof and will execute any and all documents necessary to further perfect the security interests created hereby.

(e) **No Sale.** Debtor will not sell or otherwise dispose of the Patents or Trademarks, or any interest therein, without the Agent's prior written consent.

(f) **Defense.** Debtor will at its own expense, and using its best efforts, protect and defend the Patents and Trademarks against all claims or demands of all persons other than Agent.

(g) **Maintenance.** 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 register and all affidavits and renewals possible with respect to issued registrations. 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 in support thereof, without first providing the Agent: (i) sufficient written notice, as provided in the Loan Agreement, to allow the Secured Party to timely pay any such maintenance fees or annuity which may become due on any of said Patents or Trademarks, or to file any affidavit 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, should such be necessary or desirable.

(h) **Secured Party's Right to Take Action.** If 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 Agent gives Debtor written notice thereof (or, in the case of the agreements contained in subsection (g), immediately upon the occurrence of such failure, without notice or lapse of time), or if Debtor notifies Agent that it intends to abandon a Patent or Trademark, Agent may (but need not) perform or observe such covenant or agreement on behalf and in the name, place and stead of Debtor (or, at Agent's option, in Agent's own name) and may (but need not) take any and all other actions which Agent may reasonably deem necessary to cure or correct such failure.

(i) **Costs and Expenses.** Debtor shall pay Agent and each Lender on demand the amount of all monies expended and all costs and expenses (including reasonable attorneys' fees) incurred by Agent and each Lender in connection with or as a result of the Secured Party's taking action under subsection (h) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by Agent, at the highest rate then applicable to any of the Obligations.

(j) **Power of Attorney.** To facilitate Agent's taking action under subsection (h) and exercising its rights under Section 6, Debtor hereby irrevocably appoints (which appointment is coupled with an interest) Agent, or its delegate, as the attorney-in-fact of 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 Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by 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. 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 Loan Agreement as provided therein and the payment and performance of all Obligations (as defined therein).

4. Debtor's Use of the Patents and Trademarks. Notwithstanding anything to the contrary herein or in the General Security Agreement dated of even date herewith by and between Debtor and Agent, 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, and Agent's and Lender's interest in the Patents and Trademarks shall be subordinated to and subject to the rights of licensees under licenses granted by Debtor to third parties in good faith and for fair market consideration.

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 Loan Agreement, shall occur; or (b) Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the representations or warranties contained in Section 3 shall have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, Agent may, at its option (at the direction of the Required Lenders), take any or all of the following actions:

(a) exercise any or all remedies available under the Loan Agreement.

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

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

7. Miscellaneous. This Agreement has been duly and validly authorized by all necessary action, corporate or otherwise. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in writing signed by Agent. A waiver signed by Agent 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 Agent's rights or remedies. All rights and remedies of Agent shall be cumulative and may be exercised singularly or concurrently, at Agent'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. Agent shall not be obligated to preserve any rights 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 Debtor and Agent and their respective participants, successors and assigns and shall take effect when signed by Debtor and delivered to Agent, and Debtor waives notice of Agent's acceptance hereof. Agent 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 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 laws of Colorado without regard to conflicts of law provisions. If any provision or application of this Agreement is held to be 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. Notices required to be given pursuant hereto shall be just as set forth in the Loan Agreement.

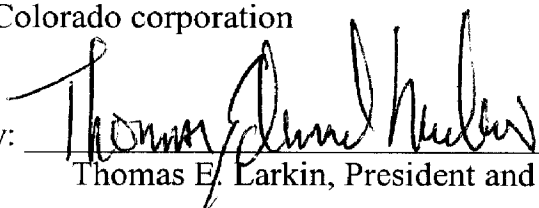
**THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.**

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

"Borrower"

T-NETIX, INC.,  
a Colorado corporation

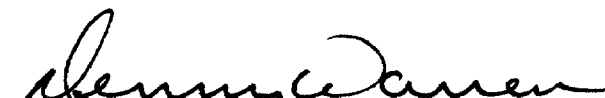
By: \_\_\_\_\_

  
Thomas E. Larkin, President and CEO

"Agent"

BANK ONE, COLORADO, NA

By: \_\_\_\_\_

  
Title: FVP

"Debtor"

TELEQUIP LABS, INC.,  
a Nevada corporation

By: Thomas E. Larkin  
Thomas E. Larkin, Chairman

STATE OF COLORADO )  
COUNTY OF rapahoe )

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of April, 2001 by Thomas E. Larkin, as President and CEO of and on behalf of T-NETIX, INC., a Colorado corporation..

Witness my hand and official seal.

My commission expires: 12/29/03

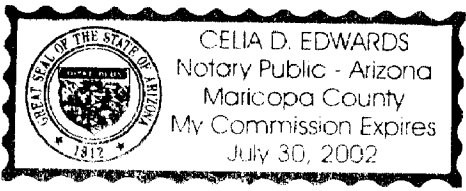
Cheryl Harrison  
Notary Public

STATE OF Arizona )  
COUNTY OF maricopa )

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of April, 2001 by Dennis Warren, as 1<sup>st</sup> Vice Pres. of and on behalf of Bank One, Colorado, NA, a national banking association.

Witness my hand and official seal.

My commission expires: 7/30/02



Celia D. Edwards  
Notary Public



STATE OF COLORADO )

COUNTY OF Arapahoe )

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of April, 2001 by Thomas E. Larkin, as Chairman of and on behalf of TELEQUIP LABS, INC., a Nevada corporation.

Witness my hand and official seal.

My commission expires: 12/29/01

Geryl Harrison  
Notary Public

**EXHIBIT A**

**Patents and Patent Applications – Telequip Labs, Inc.**

1. *"System and Method for Remotely Controlling Automated Call Placement Call Monitoring Functions"*

U.S. Patent Application No. 09/546,844, filed April 11, 2000.

2. *"System and Method for Ex Post Factor Preserving a Recorded Conversation:"*

U.S. Patent Application No. 09/596,298, filed June 16, 2000.

3. *"Message Screening, Delivery and Billing System"*

U.S. Patent Application No. \_\_\_\_\_, filed \_\_\_\_\_.

**EXHIBIT B**

**United States Issued Trademarks, Service Marks and Collective Membership Marks –  
Telequiq Labs, Inc.**

Issued Registrations:        "*ACP*"  
                                  U.S. Reg. No. 1,686,140, issued May 12, 1992.