


Form PTO-1595 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings ⇌ ⇌ ⇌	<b>RECORDATION FORM COVER SHEET</b> <b>PATENTS ONLY</b>	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.		
<b>1. Name of conveying party(ies):</b> EXECUTONE INFORMATION SYSTEMS, INC.  Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>2. Name and address of receiving party(ies)</b> Name: EXECUTONE INTER-TEL BUSINESS INFORMATION SYSTEMS, INC. Internal Address: 1615 SOUTH 52ND STREET TEMPE, ARIZONA 85281  Street Address: 1615 SOUTH 52ND STREET  City: TEMPE State: AZ Zip: 85281 Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>3. Nature of conveyance:</b> <input checked="" type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____  Execution Date: 10/17/1999	<b>4. Application number(s) or patent number(s):</b> If this document is being filed together with a new application, the execution date of the application is: _____ A. Patent Application No.(s) 09/046,913 (now 6,205,206) B. Patent No.(s) _____ Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>5. Name and address of party to whom correspondence concerning document should be mailed:</b> Name: MICHELLE WHITTINGTON, ESQ. Internal Address: 7300 WEST BOSTON STREET CHANDLER, ARIZONA 85226  Street Address: 7300 WEST BOSTON STREET  City: CHANDLER State: AZ Zip: 85226	<b>6. Total number of applications and patents involved:</b> <input type="checkbox"/> <b>7. Total fee (37 CFR 3.41).....\$ 40.00</b> <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account  <b>8. Deposit account number:</b> 502721	
<b>DO NOT USE THIS SPACE</b>		
<b>9. Signature.</b>  MICHELLE WHITTINGTON, ESQ. REG. NO. 43,844  3/26/04 Name of Person Signing Signature Date Total number of pages including cover sheet, attachments, and documents: <input type="checkbox"/> 9		

CH \$40.00 502721 6205206

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

COMPUTER TELEPHONY  
ASSET PURCHASE AGREEMENT

By and Among

EXECUTONE INFORMATION SYSTEMS, INC.,  
INTER-TEL, INCORPORATED

and

EXECUTONE INTER-TEL BUSINESS INFORMATION SYSTEMS, INC.

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, made as of October 17, 1999, by and between EXECUTONE Information Systems, Inc., a Virginia corporation ("Seller"), Inter-Tel, Incorporated, an Arizona corporation ("Parent"), and Executone Inter-Tel Business Information Systems, Inc. an Arizona corporation and a wholly-owned subsidiary of Parent ("Buyer"), provides as follows:

### RECITALS

WHEREAS, one of the businesses engaged in by Seller is the Computer Telephony Business as defined herein.

WHEREAS, Seller desires to sell certain of its assets and be relieved of certain of its liabilities that are employed by Seller in operating the Computer Telephony Business, and Buyer desires to purchase those assets and assume those liabilities.

NOW, THEREFORE, in consideration of the Recitals and of the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that:

### ARTICLE I DEFINITIONS

When used in this Agreement, the following terms shall have the meanings specified:

1.01 Accounts.

"Accounts" shall mean all accounts receivable, notes receivable and associated rights (including, without limitation, amounts due from vendors, all security deposits, letters of credit and security interests in collateral) and all related reserves arising from the sale of goods and services of the Computer Telephony Business and outstanding as of the Effective Time, including the Accounts to be listed on Schedule 1.01 hereto, as well as all other Accounts not

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1.92 Technology.

"Technology" shall mean any or all of the following: (i) works of authorship including, without limitation, computer programs, source code and executable code, whether embodied in software, firmware or otherwise, documentation, designs, files, net lists, records, data and mask works; (ii) inventions (whether or not patentable), improvements, and technology; (iii) proprietary and confidential information, including technical data and customer and supplier lists, trade secrets and know how; (iv) databases, data compilations and collections and technical data; (v) tools, methods and processes; and all instantiations of the foregoing in any form and embodied in any media.

1.93 Trademark License Agreement.

"Trademark License Agreement" shall mean the trademark license agreement entered into between Buyer and Seller in substantially the form of Exhibit E hereto.

1.94 Transferred Employees.

"Transferred Employees" shall have the meaning assigned to it in Section 6.07.

1.95 Transferred Intellectual Property Rights.

"Transferred Intellectual Property Rights" shall mean all Intellectual Property Rights that are embodied in the Transferred Technology and are used in the Computer Telephony Business by Purchaser related to the Transferred Technology, including without limitations all Intellectual Property Rights in Licensed Trademarks and those Intellectual Property Rights described on Schedule 1.95.

1.96 Transferred Technology.

"Transferred Technology" shall mean all of the following: (i) Computer Telephony Products in both Source Code and Object Code format and any other format; (ii) Computer Assets; (iii) all other Technology used in the operation of the Computer Telephony

Business by Seller including the Technology listed in Schedule 1.95. Transferred Technology shall specifically exclude the Technology used in or otherwise related to the eLottery Business to be set forth in Schedule 1.24(a).

1.97 TRP Liabilities.

"TRP Liabilities" shall mean any and all obligations arising out of or in connection with Seller's Transition and Retention Plan as listed on Schedule 1.27, whether in the form of stock loan guarantees, unpaid Loan Balances, Retention Payments or Separation Payments (as those terms are defined in the Transition and Retention Plan) or otherwise, with the exception of any liabilities arising from obligations of Stan Kabala and Ted Stone to Seller.

1.98 Year-End Financial Statements.

"Year-End Financial Statements" shall mean the (i) balance sheets of the Computer Telephony Business as of December 31, 1998 and 1997, (ii) statements of cash flows of the Computer Telephony Business for the years ended December 31, 1998 and 1997 and (iii) income statements of the Computer Telephony Business for the years ended December 31, 1998 and 1997, listed on Schedule 1.98 hereto.

1.99 Year 2000 Compliant.

"Year 2000 Compliant" shall have the meaning assigned to it in Section 3.26(a).

**ARTICLE II**  
**PURCHASE AND SALE; ASSIGNMENT AND ASSUMPTION**

2.01 Sale of Purchased Assets.

(a) At the Closing, Seller shall sell, convey, transfer, assign and deliver to Buyer the Purchased Assets, free and clear of all Liens, except for Permitted Liens. Seller will execute and deliver the Bill of Sale and such other documents of transfer and assignment as may be necessary to consummate the foregoing.

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IN WITNESS WHEREOF, each party has caused this Purchase Agreement to be duly executed in its name by its duly authorized officer as of the day and year first above written

SELLER: EXECUTONE INFORMATION SYSTEMS, INC.

By: *S J Kabala*  
Name *Stanley J. Kabala*  
Title *Chairman, President and Chief Executive Officer*

BUYER: EXECUTONE INTER-TEL BUSINESS INFORMATION SYSTEMS, INC.

By: *Norman Stout*  
Name: *Norman Stout*  
Title:

PARENT: INTER-TEL, INCORPORATED

By: *Norman Stout*  
Name: *Norman Stout*  
Title: *Executive Vice President and Chief Administrative Officer*

### SCHEDULE 1.95 TRANSFERRED INTELLECTUAL PROPERTY RIGHTS AND TRANSFERRED TECHNOLOGY

1. All copyrightable works, all copyrights and all applications, registrations and renewals in connection therewith relating to the Computer Telephony Products;
2. All trade secrets and confidential business information (including ideas, research and development, know-how, compositions, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and market plans and proposals); all computer software and source code (including hard copy and soft copy as well as all data and related documentation); all financial models; all accounting systems, and all other intellectual or industrial property used in or otherwise related to the Computer Telephony Business;
3. The domain name "executone.com."
4. Licensed software, trademarks and other intellectual property licensed to Seller pursuant to the Contracts; and
5. All patents, patent applications, trademarks and service marks and applications for the registration thereof, owned by Seller as listed below:

#### ISSUED PATENTS

SUBJECT VOICE PROCESSING SYSTEM

NAMES SHUR; MCPHILLIPS

PATENT # U.S. Patent No. 5,461,665

DATE ISSUED 10/24/95

SUBJECT APPARATUS AND METHOD FOR CONNECTING TELEPHONE SWITCHING DEVICES(DIALER BLOCK)

NAMES VOLPE

PATENT # U. S. Patent No. 5,412,715

DATE ISSUED 5/2/95

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SUBJECT DIALER BLOCK

NAMES VOLPE

PATENT # CANADA 2,123,759

DATE ISSUED 5/17/94

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SUBJECT PREDICTIVE CALL DIALING

NAMES RAMOT; CHEN; HENKIN;

PATENT # U.S. Patent No. 5,341,412

DATE ISSUED 8/23/94

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SUBJECT APP & METHOD FOR DYNAMIC INBOUND/OUTBOUND  
CALL MANAGEMENT & FOR SCHEDULING  
APPOINTMENTS

NAMES RAMOT; BLAMEY

PATENT # U.S. Patent No. 5,815,566

DATE ISSUED 9/2/98

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SUBJECT MUSIC ON HOLD FOR KEY SYSTEMS

NAMES HESTAD

PATENT # U.S. Patent No. 4,588,865

DATE ISSUED 5/13/86

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SUBJECT CALL DISTRIBUTION SUPERVISING SYSTEM

NAMES CLARE; SUNDBY

PATENT # U.S. Patent No. 5,465,286

DATE ISSUED 11/7/95

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SUBJECT SIGNAL LEVEL EXPANSION APPARATUS AS FOR A



TELECOMMUNICATIONS SYSTEM

NAMES MILOVANCEVIC  
 PATENT # U.S. Patent No. 4,977,590  
 DATE ISSUED 12/11/90

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SUBJECT TRANSACTION PROCESSING SYSTEM AND METHOD

NAMES HAIGH  
 PATENT # U.S. Patent No. 5,793,861  
 DATE ISSUED 8/11/98

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SUBJECT A TELEPHONE COMMUNICATION SYSTEM HAVING A LOCATOR

NAMES YACENDA, CHACO, RAM  
 PATENT # Australian Patent No. 708573  
 DATE ISSUED 6/17/99

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