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To the Honorable Commissioner of Patents a.

original documents or copy thereof.

1. Name of conveying party(ies):

ACCESS COMMUNICATIONS, INC.

- Individual(s)
- General Partnership
- Corporation-State
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies)

Name: The Chase Manhattan Bank, as Collateral Agent

Internal Address: \_\_\_\_\_

Street Address: 270 Park Avenue

City: New York State: NY ZIP: 10017

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State NY
- 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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: May 31, 2000

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

SEE ATTACHED SCHEDULE

Additional numbers attached?  Yes  No

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

Name: Federal Research Corporation

Internal Address: \_\_\_\_\_

Street Address: 400 Seventh Street, N.W.  
Suite 101

City: Washington State: DC ZIP: 20004

6. Total number of applications and registrations involved: 69

7. Total fee (37 CFR 3.41).....\$ 1740<sup>00</sup>

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_

(Attach duplicate copy of this page if paying by deposit account)

07/24/2000 MTHA11 00000065 1727456

DO NOT USE THIS SPACE

01 FC:481 40.00 OP  
02 FC:482 1700.00 OP

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.

Piero Giudice

Name of Person Signing

Piero Giudice

Signature

June 20, 2000

Date

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

### C. Trademarks

#### U.S. Trademarks

| <u>Licensor Name<br/>and Address</u>                                   | <u>Licensee</u>                                   | <u>Date of License/<br/>Sublicense</u> | <u>U.S. Mark</u>          | <u>Reg. Date</u> | <u>Reg. No.</u> |   |
|--|---|--|---------------------------|------------------|-----------------|---|
| White Directory Publishing<br>1945 Sheridan Drive<br>Buffalo, NY 14223 | McLeodUSA<br>Publishing Company                   | expires<br>10/31/01                    | THE TALKING<br>PHONE BOOK | 10/27/92         | 1727456         | 1 |
| CILCORP<br>300 Hamilton Blvd.<br>Peoria, IL 61602                      | McLeodUSA<br>Telecommunications,<br>Services Inc. | 8/21/98 -<br>8/21/00                   | QST                       | 10/27/98         | 2200168         | 2 |
|  |   |  |                           | 10/27/98         | 2200169         | 3 |
|  |   |  |                           | 11/3/98          | 2201803         | 4 |
|  |   |  |                           | 11/17/98         | 2204274         | 5 |

#### U.S. Trademark Applications

| <u>Licensor Name<br/>and Address</u>                                   | <u>Licensee</u>                 | <u>Date of License/<br/>Sublicense</u> | <u>U.S. Mark</u>          | <u>Date Filed</u> | <u>Application<br/>No.</u> |   |
|--|---------------------------------|--|---------------------------|-------------------|----------------------------|---|
| White Directory Publishing<br>1945 Sheridan Drive<br>Buffalo, NY 14223 | McLeodUSA<br>Publishing Company | expires<br>10/31/01                    | THE TALKING<br>PHONE BOOK | 3/3/97            | 75-252348                  | 6 |

#### Non-U.S. Trademarks

None.

#### Non-U.S. Trademark Applications

None.

### D. Others

None.

### Section III: Patents

#### PATENTS OWNED BY McLEODUSA INCORPORATED AND ITS AFFILIATES

##### U.S. Patent Registrations

None.

##### U.S. Patent Applications

| <u>Grantor</u>         | <u>Patent Application No.</u> | <u>Filing Date</u> |
|------------------------|-------------------------------|--------------------|
| McLeodUSA Incorporated | 2700.980                      | 3/31/00            |
| McLeodUSA Incorporated | 2700.981                      | 3/31/00            |

##### Non-U.S. Patent Registrations

None.

##### Non-U.S. Patent Applications

None.

**Section IV: Trademarks**

**TRADEMARK/TRADE NAMES OWNED BY ACCESS COMMUNICATIONS, INC.**

**U.S. Trademark Registrations**

| <u>Mark</u>  | <u>Reg. Date</u> | <u>Reg. No.</u> |   |
|--|------------------|-----------------|---|
| ACCESS LONG DISTANCE A<br>TELECOMMUNICATIONS CORPORATION | 4/4/95           | 1887486         | 7 |
| ACCESS LONG DISTANCE                                     | 3/26/96          | 1963744         | 8 |

**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY COMMUNICATION CABLE-LAYING CO., INC.**  
**D/B/A DIALUS**

**U.S. Trademark Registrations**

| <u>Mark</u> | <u>Reg. Date</u> | <u>Reg. No.</u> |   |
|-------------|------------------|-----------------|---|
| GLOBAL PATH | 1/27/98          | 2133469         | 4 |

**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY CONSOLIDATED COMMUNICATIONS  
DIRECTORIES, INC.**

**U.S. Trademark Registrations**

| <u>Mark</u>  | <u>Reg. Date</u> | <u>Reg. No.</u> |    |
|--|------------------|-----------------|----|
| THE BOOK MORE PEOPLE REACH<br>FOR TO REACH MORE PEOPLE | 4/25/95          | 1891842         | 10 |
| SPECTRACOLOR   | 9/22/98          | 2191399         | 11 |

**U.S. Trademark Applications**

| <u>Mark</u>                                    | <u>Filing Date</u> | <u>Application No.</u> |    |
|--|--------------------|------------------------|----|
| PLANET PAGES @ YOUR FINGERTIPS                 | 8/15/97            | 75-341809              | 12 |
| PLANET PAGES                                   | 7/6/98             | 75-513268              | 13 |
| PLANET PAGES                                   | 7/9/98             | 75-516405              | 14 |
| CCD CONSOLIDATED<br>COMMUNICATIONS DIRECTORIES | 5/5/99             | 75-698371              | 15 |
| CCD CONSOLIDATED<br>COMMUNICATIONS DIRECTORIES | 5/5/99             | 75-699910              | 16 |

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY CONSOLIDATED COMMUNICATIONS INC.**

**U.S. Trademark Registrations**

| <u>Mark</u>             | <u>Reg. Date</u> | <u>Reg. No.</u> |    |
|-------------------------|------------------|-----------------|----|
| CONSOLIDATED            | 4/4/95           | 1887489         | 17 |
| FROM VISION COME VALUES | 8/13/96          | 1993425         | 18 |

**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY CONSOLIDATED COMMUNICATIONS  
TELECOM SERVICES, INC.**

**U.S. Trademark Registrations**

| <u>Mark</u>          | <u>Reg. Date</u> | <u>Reg. No.</u> |    |
|----------------------|------------------|-----------------|----|
| CCINET               | 5/20/97          | 2063931         | 19 |
| FINALLY, IT ALL FITS | 3/31/98          | 2148186         | 20 |

**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.



**TRADEMARK/TRADE NAMES OWNED BY CONSOLIDATED MARKET RESPONSE INC.**

**U.S. Trademark Registrations**

| <u>Mark</u>                     | <u>Reg. Date</u> | <u>Reg. No.</u> |
|---------------------------------|------------------|-----------------|
| CONSOLIDATED MARKET<br>RESPONSE | 2/17/98          | 2136588         |

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**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY DAKOTA TELECOMMUNICATIONS  
GROUP, INC.**

**U.S. Trademark Registrations**

| <u>Mark</u>                            | <u>Reg. Date</u> | <u>Reg. No.</u> |
|--|------------------|-----------------|
| DTG DAKOTA<br>TELECOMMUNICATIONS GROUP | 11/30/99         | 2295383         |

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**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY INDIANA DIRECTORIES, INC.**

**U.S. Trademark Registrations**

| <u>Mark</u>  | <u>Reg. Date</u> | <u>Reg. No.</u> |
|--------------|------------------|-----------------|
| INFO INDIANA | 2/4/97           | 2036019         |

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**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY INFO AMERICA PHONE BOOKS, INC.**

**U.S. Trademark Registrations**

None.

**U.S. Trademark Applications**

| <u>Mark</u>              | <u>Filing Date</u> | <u>Application No.</u> |
|--------------------------|--------------------|------------------------|
| INFO AMERICA PHONE BOOKS | 11/6/95            | 75-015023              |

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**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY LIVEWARE5, INC.**

**U.S. Trademark Registrations**

None.

**U.S. Trademark Applications**

| <u>Mark</u>     | <u>Filing Date</u> | <u>Application No.</u> |
|-----------------|--------------------|------------------------|
| KNOWLEDGEPORTAL | 6/1/99             | 75-717573              |

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**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY MCLEOD TELECOMMUNICATIONS, INC.**

**U.S. Trademark Registrations**

| <u>Mark</u> | <u>Reg. Date</u> | <u>Reg. No.</u> |    |
|-------------|------------------|-----------------|----|
| TQE         | 5/30/95          | 1897116         | 26 |

**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY MCLEOD TELEMANAGEMENT, INC.**

**U.S. Trademark Registrations**

| <u>Mark</u> | <u>Reg. Date</u> | <u>Reg. No.</u> |    |
|-------------|------------------|-----------------|----|
| RATERIZER   | 10/31/95         | 1931808         | 27 |
| MEMBERLINK  | 11/7/95          | 1933703         | 28 |
| PRIMELINE   | 11/7/95          | 1933705         | 29 |
| TMO         | 3/11/97          | 2043980         | 30 |

**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY MCLEODUSA PUBLISHING COMPANY**

**U.S. Trademark Registrations**

| <u>Mark</u>        | <u>Reg. Date</u> | <u>Reg. No.</u> |    |
|--------------------|------------------|-----------------|----|
| REACH FOR THE STAR | 10/13/98         | 2194550         | 31 |
| IN TOUCH           | 1/26/99          | 2219875         | 32 |

**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.



**TRADEMARK/TRADE NAMES OWNED BY MIDWEST FIBERNET INC.**  
**D/B/A CONSOLIDATED COMMUNICATIONS LONG DISTANCE**

**U.S. Trademark Registrations**

| <u>Mark</u> | <u>Reg. Date</u> | <u>Reg. No.</u> |
|-------------|------------------|-----------------|
| CALLEDGE    | 12/21/93         | 1813147         |

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**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY MIDWEST FIBERNET INC.**

**U.S. Trademark Registrations**

| <u>Mark</u>   | <u>Reg. Date</u> | <u>Reg. No.</u> |
|---------------|------------------|-----------------|
| CALLADVANTAGE | 6/13/95          | 1900124         |

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**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY NEWCOM TECHNOLOGIES, INC.**

**U.S. Trademark Registrations**

| <u>Mark</u>         | <u>Reg. Date</u> | <u>Reg. No.</u> |    |
|---------------------|------------------|-----------------|----|
| NEWCOM TECHNOLOGIES | 10/21/97         | 2107017         | 35 |
| NEWCOM TECHNOLOGIES | 10/21/97         | 2107018         | 36 |
| NEWCOM COMPANIES    | 10/21/97         | 2107506         | 37 |

**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY OLD HERITAGE ADVERTISING & PUBLISHERS, INC.**

**U.S. Trademark Registrations**

| <u>Mark</u>                                    | <u>Reg. Date</u> | <u>Reg. No.</u> |
|--|------------------|-----------------|
| OLD HERITAGE ADVERTISING<br>& PUBLISHERS, INC. | 2/2/88           | 1474930         |

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**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY ONE STOP TELECOMMUNICATIONS, INC.**

**U.S. Trademark Registrations**

| <u>Mark</u> | <u>Reg. Date</u> | <u>Reg. No.</u> |
|-------------|------------------|-----------------|
| ONE STOP    | 3/9/99           | 2229884 39      |

**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

**TRADEMARK/TRADE NAMES OWNED BY OVATION COMMUNICATIONS, INC.**

**U.S. Trademark Registrations**

| <u>Mark</u>           | <u>Reg. Date</u> | <u>Reg. No.</u> |
|-----------------------|------------------|-----------------|
| OVATION COMMUNIATIONS | 3/2/99           | 2229054 40      |

**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

TRADEMARK/TRADE NAMES OWNED BY RUFFALO, CODY & ASSOCIATES, INC.

U.S. Trademark Registrations

| <u>Mark</u> | <u>Reg. Date</u> | <u>Reg. No.</u> |    |
|-------------|------------------|-----------------|----|
| CAMPUSCALL  | 6/7/94           | 1838820         | 41 |
| VIEWERCALL  | 1/2/96           | 1945600         | 42 |
| CAMPUSCALL  | 8/13/96          | 1992581         | 43 |
| MEMBERCALL  | 12/15/98         | 2210843         | 44 |
| MEMBERCALL  | 12/15/98         | 2210844         | 45 |

U.S. Trademark Applications

| <u>Mark</u> | <u>Filing Date</u> | <u>Application No.</u> |    |
|-------------|--------------------|------------------------|----|
| CUSTOMCALL  | 7/22/99            | 75-757394              | 46 |

Non-U.S. Trademark Registrations

None.

Non-U.S. Trademark Applications

None.

Trade Names

None.

**TRADEMARK/TRADE NAMES OWNED BY SOUTHERN ILLINOIS RSA PARTNERSHIP  
COMPOSED OF CELLULAR CORP., CONTEL CELLULAR OF ILLINOIS, INC., AND  
CONSOLIDATED COMMUNICATIONS, INC. ALL ILLINOIS CORPORATIONS**

**U.S. Trademark Registrations**

None.

**U.S. Trademark Applications**

| <u>Mark</u>                              | <u>Filing Date</u> | <u>Application No.</u> |    |
|--|--------------------|------------------------|----|
| FIRST 1 CELLULAR OF<br>SOUTHERN ILLINOIS | 9/5/95             | 74-724457              | 47 |
| FIRST CELLULAR                           | 9/5/95             | 74-724761              | 48 |

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.



TRADEMARK/TRADE NAMES OWNED BY SPLITROCK SERVICES, INC.

U.S. Trademark Registrations

| <u>Mark</u>         | <u>Reg. Date</u> | <u>Reg. No.</u> |    |
|---------------------|------------------|-----------------|----|
| A CARRIER OF WISDOM | 11/23/99         | 2294674         | 49 |
| SPLITROCK           | 9/21/99          | 2279896         | 50 |
| A CARRIER OF WISDOM | 9/14/99          | 2278397         | 51 |
| SPLITROCK           | 8/17/99          | 2271096         | 52 |

U.S. Trademark Applications

| <u>Mark</u>         | <u>Filing Date</u> | <u>Application No.</u> |    |
|---------------------|--------------------|------------------------|----|
| DESIGN OF SPLITROCK | 3/6/98             | 75-446255              | 53 |
| SPLITROCK           | 6/16/98            | 75-503296              | 54 |
| SPLITROCK           | 6/16/98            | 75-503484              | 55 |
| SPLITROCK.COM       | 7/27/98            | 75-526881              | 56 |
| SPLITROCK.NET       | 3/12/99            | 75-659108              | 57 |
| ATM-TO-THE-EDGE     | 3/12/99            | 75-659109              | 58 |
| SPLITROCK.NET       | 3/12/99            | 75-659745              | 59 |
| ATM-TO-THE-EDGE     | 3/12/99            | 75-659747              | 60 |

Non-U.S. Trademark Registrations

| <u>Country</u> | <u>Mark</u>         | <u>Reg. Date</u> | <u>Reg. No.</u> |
|----------------|---------------------|------------------|-----------------|
| AUSTRALIA      | A CARRIER OF WISDOM | 7/9/99           | 779155          |
| CHILE          | A CARRIER OF WISDOM | 7/23/99          |                 |
| CHILE          | A CARRIER OF WISDOM | 7/23/99          |                 |
| COLOMBIA       | A CARRIER OF WISDOM | 5/31/99          | 219.091         |
| COSTA RICA     | A CARRIER OF WISDOM | 8/4/99           | 114996          |
| COSTA RICA     | A CARRIER OF WISDOM | 8/4/99           | 114997          |
| EUROPEAN UNION | A CARRIER OF WISDOM | 2/16/00          | 989616          |
| GUATEMALA      | A CARRIER OF WISDOM | 5/25/99          | 95.670          |
| GUATEMALA      | A CARRIER OF WISDOM | 5/25/99          | 95.684          |
| MEXICO         | A CARRIER OF WISDOM | 2/24/99          | 601534          |
| NICARAGUA      | A CARRIER OF WISDOM | 10/11/99         |                 |
| PERU           | A CARRIER OF WISDOM | 5/15/99          | 00017186        |
| PERU           | A CARRIER OF WISDOM | 8/29/99          | 00018977        |
| RUSSIA         | A CARRIER OF WISDOM | 2/28/00          | 293-00 DNPI     |
| RUSSIA         | A CARRIER OF WISDOM | 2/28/00          | 294-00 DNPI     |
| UNITED STATES  | A CARRIER OF WISDOM | 9/14/99          | 2278397 61      |
| UNITED STATES  | A CARRIER OF WISDOM | 11/23/99         |                 |
| AUSTRALIA      | SPLITROCK           | 8/21/98          | 756757          |
| ARGENTINA      | SPLITROCK           | 4/15/99          | 1731173         |

|                         |           |          |            |
|-------------------------|-----------|----------|------------|
| ARGENTINA               | SPLITROCK | 4/15/99  | 1731174    |
| CHILE                   | SPLITROCK | 9/17/98  | 522006     |
| CHILE                   | SPLITROCK | 9/17/98  | 522007     |
| CHINA                   | SPLITROCK | 8/21/99  | 1307282    |
| COLOMBIA                | SPLITROCK | 11/25/98 | 214319     |
| COLOMBIA                | SPLITROCK | 11/25/98 | 214421     |
| COSTA RICA              | SPLITROCK | 12/14/98 | 110714     |
| COSTA RICA              | SPLITROCK | 12/14/98 | 110744     |
| ECUADOR                 | SPLITROCK | 2/7/00   | 68-00 DNPI |
| ECUADOR                 | SPLITROCK | 2/28/00  | 69-00 DNPI |
| FEDERATION<br>OF RUSSIA | SPLITROCK | 1/11/00  | 183263     |
| HONDURAS                | SPLITROCK |          | 5201/453/9 |
| HONDURAS                | SPLITROCK | 3/30/99  | 5202/454/9 |
| NICARAGUA               | SPLITROCK | 11/4/98  | 39.304C.C  |
| NICARAGUA               | SPLITROCK | 11/4/98  | 39.305C.C  |
| PERU                    | SPLITROCK | 8/10/99  | 00018455   |
| RUSSIA                  | SPLITROCK | 1/11/00  | 183263     |
| SOUTH KOREA             | SPLITROCK | 10/20/99 | 57179      |
| TAIWAN                  | SPLITROCK | 2/1/99   | 107029     |
| TAIWAN                  | SPLITROCK | 4/15/99  | 108798     |
| THAILAND                | SPLITROCK | 9/18/97  | BOR8283    |

|               |                                  |          |             |
|---------------|----------------------------------|----------|-------------|
| THAILAND      | SPLITROCK                        | 7/12/99  | BOR8284     |
| UNITED STATES | SPLITROCK                        | 8/17/99  | 2271096 62  |
| UNITED STATES | SPLITROCK                        | 9/21/99  | 2279896 63  |
| ARGENTINA     | SPLITROCK (WITH TRIANGLE DESIGN) | 2/24/00  | 1776227     |
| AUSTRALIA     | SPLITROCK (WITH TRIANGLE DESIGN) | 4/6/99   | 778599      |
| CHILE         | SPLITROCK (WITH TRIANGLE DESIGN) | 7/23/99  |             |
| CHILE         | SPLITROCK (WITH TRIANGLE DESIGN) | 7/23/99  |             |
| CHINA         | SPLITROCK (WITH TRIANGLE DESIGN) | 9/14/99  | 1314917     |
| COSTA RICA    | SPLITROCK (WITH TRIANGLE DESIGN) | 8/4/99   | 114974      |
| COSTA RICA    | SPLITROCK (WITH TRIANGLE DESIGN) | 8/4/99   | 114980      |
| GUATEMALA     | SPLITROCK (WITH TRIANGLE DESIGN) | 5/18/99  | 94107       |
| GUATEMALA     | SPLITROCK (WITH TRIANGLE DESIGN) | 8/13/99  | 94762       |
| MEXICO        | SPLITROCK (WITH TRIANGLE DESIGN) | 4/28/99  | 607425      |
| MEXICO        | SPLITROCK (WITH TRIANGLE DESIGN) | 4/20/99  | 609029      |
| NICARAGUA     | SPLITROCK (WITH TRIANGLE DESIGN) | 10/11/99 |             |
| NICARAGUA     | SPLITROCK (WITH TRIANGLE DESIGN) | 10/11/99 |             |
| PERU          | SPLITROCK (WITH TRIANGLE DESIGN) | 4/14/99  | 00017455    |
| PERU          | SPLITROCK (WITH TRIANGLE DESIGN) | 8/10/99  | 00018459    |
| RUSSIA        | SPLITROCK (WITH TRIANGLE DESIGN) | 2/28/00  | 294-00 DNPI |
| RUSSIA        | SPLITROCK (WITH TRIANGLE DESIGN) | 2/28/00  | 295-00 DNPI |
| SOUTH KOREA   | SPLITROCK (WITH TRIANGLE DESIGN) | 11/25/99 | 0019461     |
| THAILAND      | SPLITROCK (WITH TRIANGLE DESIGN) | 12/22/99 | BOR9147     |

SCHEDULE IV  
TO SECURITY AGREEMENT

Non-U.S. Trademark Applications

| <u>Country</u>          | <u>Mark</u>         | <u>Application Date</u> | <u>Application No.</u> |
|-------------------------|---------------------|-------------------------|------------------------|
| ARGENTINA               | A CARRIER OF WISDOM | 12/3/98                 | 2190645                |
| ARGENTINA               | A CARRIER OF WISDOM | 12/3/98                 | 2190646                |
| BRAZIL                  | A CARRIER OF WISDOM | 12/16/98                | 821097644              |
| BRAZIL                  | A CARRIER OF WISDOM | 12/16/98                | 821097652              |
| CANADA                  | A CARRIER OF WISDOM | 12/3/98                 | 898359                 |
| CHINA                   | A CARRIER OF WISDOM | 12/19/98                | 9800142707             |
| CHINA                   | A CARRIER OF WISDOM | 12/18/98                | 9800142708             |
| COLOMBIA                | A CARRIER OF WISDOM | 11/25/98                | 98-069.636             |
| ECUADOR                 | A CARRIER OF WISDOM | 11/24/98                | 92365                  |
| ECUADOR                 | A CARRIER OF WISDOM | 11/24/98                | 92368                  |
| EL SALVADOR             | A CARRIER OF WISDOM | 12/1/98                 | 7552-98                |
| EL SALVADOR             | A CARRIER OF WISDOM | 12/1/98                 | 7553-98                |
| EUROPEAN UNION          | A CARRIER OF WISDOM | 11/19/98                | 989616                 |
| FEDERATION OF<br>RUSSIA | A CARRIER OF WISDOM | 11/19/98                | 98718343               |
| HONDURAS                | A CARRIER OF WISDOM | 11/24/98                | 15018-98               |
| HONDURAS                | A CARRIER OF WISDOM | 11/24/98                | 15019-98               |
| HONG KONG               | A CARRIER OF WISDOM | 12/2/98                 | 15825-98               |
| HONG KONG               | A CARRIER OF WISDOM | 12/2/98                 | 15826-98               |
| JAPAN                   | A CARRIER OF WISDOM | 11/25/98                | HEI101011483           |

|               |                              |          |              |
|---------------|------------------------------|----------|--------------|
| JAPAN         | A CARRIER OF WISDOM          | 11/25/98 | HEI101011484 |
| MEXICO        | A CARRIER OF WISDOM          | 1/5/99   | 359202       |
| NICARAGUA     | A CARRIER OF WISDOM          | 12/14/98 | 98-04603     |
| POLAND        | A CARRIER OF WISDOM          | 11/20/98 | Z-194644     |
| SOUTH KOREA   | A CARRIER OF WISDOM          | 11/24/98 | 98-9686      |
| SOUTH KOREA   | A CARRIER OF WISDOM          | 11/25/98 | 15826/98     |
| TAIWAN        | A CARRIER OF WISDOM          | 11/21/98 | 8756313      |
| TAIWAN        | A CARRIER OF WISDOM          | 11/21/98 | 8756314      |
| THAILAND      | A CARRIER OF WISDOM          | 12/22/98 | 376934       |
| THAILAND      | A CARRIER OF WISDOM          | 12/22/98 | 376935       |
| VENEZUELA     | A CARRIER OF WISDOM          | 11/27/98 | 98-022159    |
| VENEZUELA     | A CARRIER OF WISDOM          | 11/27/98 | 98-022160    |
| UNITED STATES | ATM-TO-THE-EDGE              | 3/12/99  | 75/659109 64 |
| UNITED STATES | ATM-TO-THE-EDGE              | 3/12/99  | 75/659747 65 |
| UNITED STATES | SPLIT PORTION OF ROCK DESIGN | 3/6/98   | 75/446255 66 |
| BRAZIL        | SPLITROCK                    | 3/18/98  | 820553581    |
| BRAZIL        | SPLITROCK                    | 4/16/98  | 820599760    |
| CANADA        | SPLITROCK                    | 3/9/98   | 871543       |
| CHINA         | SPLITROCK                    | 3/18/98  | 9800023239   |
| ECUADOR       | SPLITROCK                    | 3/9/98   | 85781        |
| ECUADOR       | SPLITROCK                    | 3/9/98   | 85782        |

|             |                                  |          |            |
|-------------|----------------------------------|----------|------------|
| EL SALVADOR | SPLITROCK                        | 3/13/98  | 1510-98    |
| EL SALVADOR | SPLITROCK                        | 3/13/98  | 1511-98    |
| GUATEMALA   | SPLITROCK                        | 3/16/98  | 98-1986    |
| GUATEMALA   | SPLITROCK                        | 3/16/98  | 98-1987    |
| HONG KONG   | SPLITROCK                        | 3/10/98  | 3027/98    |
| HONG KONG   | SPLITROCK                        | 3/10/98  | 3028/98    |
| JAPAN       | SPLITROCK                        | 3/10/98  | HEI1020128 |
| JAPAN       | SPLITROCK                        | 3/10/98  | HEI1020129 |
| MEXICO      | SPLITROCK                        | 3/17/98  | 326242     |
| MEXICO      | SPLITROCK                        | 3/17/98  | 326243     |
| POLAND      | SPLITROCK                        | 3/12/98  | Z-184504   |
| VENEZUELA   | SPLITROCK                        | 3/10/98  | 98-003997  |
| VENEZUELA   | SPLITROCK                        | 3/10/98  | 98-003998  |
| ARGENTINA   | SPLITROCK (WITH TRIANGLE DESIGN) | 11/26/98 | 2189167    |
| BRAZIL      | SPLITROCK (WITH TRIANGLE DESIGN) | 12/16/98 | 821097580  |
| BRAZIL      | SPLITROCK (WITH TRIANGLE DESIGN) | 12/16/98 | 821097660  |
| CANADA      | SPLITROCK (WITH TRIANGLE DESIGN) | 12/3/98  | 898360     |
| CHINA       | SPLITROCK (WITH TRIANGLE DESIGN) | 12/14/98 | 980140699  |
| COLOMBIA    | SPLITROCK (WITH TRIANGLE DESIGN) | 11/25/98 | 98-069633  |
| COLOMBIA    | SPLITROCK (WITH TRIANGLE DESIGN) | 11/25/98 | 98-069634  |
| ECUADOR     | SPLITROCK (WITH TRIANGLE DESIGN) | 11/24/98 | 92366      |
| ECUADOR     | SPLITROCK (WITH TRIANGLE DESIGN) | 11/24/98 | 92367      |

|                         |                                  |          |              |
|-------------------------|----------------------------------|----------|--------------|
| EL SALVADOR             | SPLITROCK (WITH TRIANGLE DESIGN) | 12/1/98  | 7554-98      |
| EL SALVADOR             | SPLITROCK (WITH TRIANGLE DESIGN) | 12/1/98  | 7555-98      |
| EUROPEAN UNION          | SPLITROCK (WITH TRIANGLE DESIGN) | 11/19/98 | 989640       |
| FEDERATION OF<br>RUSSIA | SPLITROCK (WITH TRIANGLE DESIGN) | 11/18/98 | 98718281     |
| HONDURAS                | SPLITROCK (WITH TRIANGLE DESIGN) | 11/24/98 | 15016-98     |
| HONDURAS                | SPLITROCK (WITH TRIANGLE DESIGN) | 11/24/98 | 15017-98     |
| HONG KONG               | SPLITROCK (WITH TRIANGLE DESIGN) | 11/26/98 | 15634/98     |
| HONG KONG               | SPLITROCK (WITH TRIANGLE DESIGN) | 11/26/98 | 15635/98     |
| JAPAN                   | SPLITROCK (WITH TRIANGLE DESIGN) | 11/25/98 | HEI10101481  |
| JAPAN                   | SPLITROCK (WITH TRIANGLE DESIGN) | 11/25/98 | HEI10101482  |
| POLAND                  | SPLITROCK (WITH TRIANGLE DESIGN) | 11/20/88 | Z-194643     |
| TAIWAN                  | SPLITROCK (WITH TRIANGLE DESIGN) | 11/23/98 | 87-056416    |
| TAIWAN                  | SPLITROCK (WITH TRIANGLE DESIGN) | 11/23/98 | 87-056417    |
| THAILAND                | SPLITROCK (WITH TRIANGLE DESIGN) | 12/16/98 | 376545       |
| UNITED STATES           | SPLITROCK (WITH TRIANGLE DESIGN) | 5/16/98  | 75/503296    |
| VENEZUELA               | SPLITROCK (WITH TRIANGLE DESIGN) | 11/27/98 | 98-022157    |
| VENEZUELA               | SPLITROCK (WITH TRIANGLE DESIGN) | 11/27/98 | 98-022158    |
| UNITED STATES           | SPLITROCK.NET                    | 3/12/99  | 75/659108 67 |
| UNITES STATES           | SPLITROCK.NET                    | 3/12/99  | 75/659745 68 |

**Trade Names**

None.



**TRADEMARK/TRADE NAMES OWNED BY TDI, INC.**

**U.S. Trademark Registrations**

| <u>Mark</u> | <u>Reg. Date</u> | <u>Reg. No.</u> |
|-------------|------------------|-----------------|
| TDI         | 10/22/96         | 2010154         |

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**U.S. Trademark Applications**

None.

**Non-U.S. Trademark Registrations**

None.

**Non-U.S. Trademark Applications**

None.

**Trade Names**

None.

SUBSIDIARY SECURITY AGREEMENT dated as of May 31, 2000, among each Subsidiary of McLeodUSA Incorporated listed on Schedule I hereto or becoming a party hereto as provided in Section 7.15 (each such Subsidiary individually, a "Subsidiary Grantor" and collectively, the "Subsidiary Grantors") and THE CHASE MANHATTAN BANK, a New York banking corporation ("Chase"), as collateral agent (in such capacity, the "Collateral Agent") for the Secured Parties (as defined herein).

Reference is made to (a) the Credit Agreement dated as of May 31, 2000 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among McLeodUSA Incorporated, the lenders from time to time party thereto (the "Lenders") and Chase, as Administrative Agent and Collateral Agent and (b) the Subsidiary Guarantee Agreement dated as of May 31, 2000 (as amended, supplemented or otherwise modified from time to time, the "Subsidiary Guarantee Agreement"), among the Subsidiary Grantors and the Collateral Agent.

The Lenders and the Swingline Lender have agreed to make Loans and Swingline Loans to the Borrower and the Issuing Bank has agreed to issue Letters of Credit for the account of the Borrower, pursuant to, and upon the terms and subject to the conditions specified in, the Credit Agreement. Each of the Subsidiary Grantors has agreed to guarantee, among other things, all the Guaranteed Obligations (as defined below). The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit are conditioned upon, among other things, the execution and delivery by the Subsidiary Grantors of an agreement in the form hereof to secure all of the Guaranteed Obligations. Each Subsidiary Grantor agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that the security interest granted hereunder and the obligations of each Subsidiary Grantor will survive any extension or renewal of any Guaranteed Obligation.

Accordingly, the Subsidiary Grantors and the Collateral Agent, on behalf of itself and each Secured Party (and each of their respective successors or assigns), hereby agree as follows:

## ARTICLE I

### Definitions

#### SECTION 1.01. Definition of Terms Used Herein.

Unless the context otherwise requires, all capitalized terms used but not defined herein shall have the meanings set forth in the Credit Agreement and all references to the Uniform Commercial Code shall mean the Uniform Commercial Code in effect in the State of New York as of the date hereof.

SECTION 1.02. Definition of Certain Terms Used Herein. As used herein, the following terms shall have the following meanings:

"Account Debtor" shall mean any person who is or who may become obligated to any Subsidiary Grantor under, with respect to or on account of an Account.

"Accounts" shall mean any and all right, title and interest of any Subsidiary Grantor to payment for goods and services sold or leased, including any such right evidenced by chattel paper, whether due or to become due, whether or not it has been earned by performance, and whether now or hereafter acquired or arising in the future, including accounts receivable from Affiliates of the Subsidiary Grantors.

"Accounts Receivable" shall mean all Accounts and all right, title and interest in any returned goods, together with all rights, titles, securities and guarantees with respect thereto, including any rights to stoppage in transit, replevin, reclamation and resales, and all related security interests, liens and pledges, whether voluntary or involuntary, in each case whether now existing or owned or hereafter arising or acquired.

"Commodity Account" shall mean an account maintained by a Commodity Intermediary in which a Commodity Contract is carried out for a Commodity Customer.

"Commodity Contract" shall mean a commodity futures contract, an option on a commodity futures contract, a commodity option or any other contract that, in each case,

is (a) traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to the federal commodities laws or (b) traded on a foreign commodity board of trade, exchange or market, and is carried on the books of a Commodity Intermediary for a Commodity Customer.

"Commodity Customer" shall mean a person for whom a Commodity Intermediary carries a Commodity Contract on its books.

"Commodity Intermediary" shall mean (a) a person who is registered as a futures commission merchant under the federal commodities laws or (b) a person who in the ordinary course of its business provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to federal commodities laws.

"Copyright License" shall mean any written agreement, now or hereafter in effect, granting any right to any third party under any Copyright now or hereafter owned by any Subsidiary Grantor or which such Subsidiary Grantor otherwise has the right to license, or granting to such Subsidiary Grantor the right to use any Copyright now or hereafter owned by any third party, and all rights of such Subsidiary Grantor under any such agreement.

"Copyrights" shall mean all of the following now owned or hereafter acquired by any Subsidiary Grantor: (a) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise, and (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office, including those listed on Schedule II.

"Credit Agreement" shall have the meaning assigned to such term in the preliminary statement of this Agreement.

"Designated Hedging Agreement" shall mean any Hedging Agreement designated by the Borrower as a secured obligation under the Borrower Security Agreement or set forth on Schedule VI attached thereto, as such Schedule may be modified from time to time.

"Documents" shall mean all instruments, files, records, ledger sheets and documents covering or relating to any of the Guaranteed Obligations Collateral.

"Entitlement Holder" shall mean a person identified in the records of a Securities Intermediary as the person having a Security Entitlement against the Securities Intermediary. If a person acquires a Security Entitlement by virtue of Section 8-501(b)(2) or (3) of the Uniform Commercial Code, such person is the Entitlement Holder.

"Equipment" shall mean all equipment, furniture and furnishings, and all tangible personal property similar to any of the foregoing, including tools, parts and supplies of every kind and description, and all improvements, accessions or appurtenances thereto, that are now or hereafter owned by any Subsidiary Grantor. The term Equipment shall include Fixtures.

"Excluded Collateral" shall mean (i) the Subsidiary Grantors' rights under contracts and agreements which by their terms prohibit the granting of a Security Interest therein or assignment thereof (except for (a) Accounts and General Intangibles for money due or to become due thereunder and (b) any such contract as to which consent for the Lien created hereby has been obtained), (ii) Equipment subject to a capitalized lease or purchase money Lien permitted under the Credit Agreement that prohibits the granting of any other Lien on such Equipment; provided that such Equipment shall become Guaranteed Obligations Collateral upon release of such capitalized lease or purchase money Lien, (iii) property subject to a Lien permitted by Section 6.03(iii) of the Credit Agreement if an agreement relating to such Lien prohibits the granting of any other Lien on such property and (iv) any Fixtures attached to real property that is subject to a Lien permitted by the Credit Agreement.

"Financial Asset" shall mean (a) a Security, (b) an obligation of a person or a share, participation or other interest in a person or in property or an enterprise of a person, which is, or is of a type, dealt with in or traded on financial markets, or which is recognized in any area in which it is issued or dealt in as a medium for investment or (c) any property that is held by a Securities Intermediary for another person in a Securities Account if the Securities Intermediary has expressly agreed with the other person that the property is to be treated as a Financial Asset under Article 8 of the Uniform Commercial Code. As the context requires, the term Financial Asset shall mean either the interest itself or the means by which a person's claim to it is evidenced, including a certificated or uncertificated Security, a certificate representing a Security or a Security Entitlement.

"Fixtures" shall mean all items of Equipment, whether now owned or hereafter acquired, of any Subsidiary Grantor that become so related to particular real estate that an interest in them arises under any real estate law applicable thereto.

"General Intangibles" shall mean all choses in action and causes of action and all other assignable intangible personal property of any Subsidiary Grantor of every kind and nature (other than Accounts Receivable) now owned or hereafter acquired by any Subsidiary Grantor, including all rights and interests in partnerships, limited partnerships, limited liability companies and other unincorporated entities, corporate or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee, Hedging Agreements and other agreements), Intellectual Property, goodwill, registrations, franchises, tax refund claims and any letter of credit, guarantee, claim, security interest or other security held by or granted to any Subsidiary Grantor to secure payment by an Account Debtor of any of the Accounts Receivable.

"Guaranteed Obligations" means the Initial Guaranteed Obligations and, if any, the Subsequent Guaranteed Obligations.

"Guaranteed Obligations Collateral" shall mean all (a) Accounts Receivable, (b) Documents, (c) Equipment, (d) General Intangibles, (e) Inventory, (f) cash and cash accounts, (g) Investment Property and (h) Proceeds; provided however, that Guaranteed Obligations Collateral shall not include Excluded Collateral.

"Initial Guaranteed Obligations" means (a) the due and punctual payment by the Borrower of (i) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Non-Purchase Money Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (ii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) but excluding the Purchase Money Loans and the interest payable thereon, of the Borrower to the Secured Parties under the Credit Agreement or the other Loan

Documents and (b) the due and punctual payment and performance of all obligations of the Borrower, under each Designated Hedging Agreement entered into with a counterparty that was a Lender (or an Affiliate of a Lender) at the time such Designated Hedging Agreement was entered into (or, if later, on the date of the Credit Agreement).

"Intellectual Property" shall mean all intellectual and similar property of any Subsidiary Grantor of every kind and nature now owned or hereafter acquired by any Subsidiary Grantor, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, trade secrets, confidential or proprietary technical and business information, know-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

"Inventory" shall mean all goods of any Subsidiary Grantor, whether now owned or hereafter acquired, held for sale or lease, or furnished or to be furnished by any Subsidiary Grantor under contracts of service, or consumed in any Subsidiary Grantor's business, including raw materials, intermediates, work in process, packaging materials, finished goods, semi-finished inventory, scrap inventory, manufacturing supplies and spare parts, and all such goods that have been returned to or repossessed by or on behalf of any Subsidiary Grantor.

"Investment Property" shall mean all Securities (whether certificated or uncertificated), Security Entitlements, Securities Accounts, Commodity Contracts and Commodity Accounts of any Subsidiary Grantor, whether now owned or hereafter acquired by any Subsidiary Grantor.

"License" shall mean any Patent License, Trademark License, Copyright License or other license or sublicense relating to Intellectual Property to which any Subsidiary Grantor is a party, including those listed on Schedule III (other than those license agreements in existence on the date hereof and listed on Schedule III and those license agreements entered into after the date hereof, which by their terms prohibit assignment or a grant of a security interest by such Subsidiary Grantor as licensee thereunder).

"Patent License" shall mean any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a Patent, now or hereafter owned by any Subsidiary Grantor or which

any Subsidiary Grantor otherwise has the right to license, is in existence, or granting to any Subsidiary Grantor any right to make, use or sell any invention on which a Patent, now or hereafter owned by any third party, is in existence, and all rights of any Subsidiary Grantor under any such agreement.

"Patents" shall mean all of the following now owned or hereafter acquired by any Subsidiary Grantor: (a) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar offices in any other country, including those listed on Schedule IV, and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

"Proceeds" shall mean any consideration received from the sale, exchange, license, lease or other disposition of any asset or property that constitutes Guaranteed Obligations Collateral, any value received as a consequence of the possession of any Guaranteed Obligations Collateral and any payment received from any insurer or other person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property which constitutes Guaranteed Obligations Collateral, and shall include any claim of any Subsidiary Grantor against any third party for (and the right to sue and recover for and the rights to damages or profits due or accrued arising out of or in connection with) (i) past, present or future infringement of any Patent now or hereafter owned by any Subsidiary Grantor, or licensed under a Patent License, (ii) past, present or future infringement or dilution of any Trademark now or hereafter owned by any Subsidiary Grantor or licensed under a Trademark License or injury to the goodwill associated with or symbolized by any Trademark now or hereafter owned by any Subsidiary Grantor, (iii) past, present or future breach of any License and (iv) past, present or future infringement of any Copyright now or hereafter owned by any Subsidiary Grantor or licensed under a Copyright License and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Guaranteed Obligations Collateral.

"Secured Parties" shall mean (a) the Lenders, (b) the Swingline Lender, (c) the Administrative Agent, (d) the Collateral Agent, (e) the Issuing Bank, (f) each



counterparty to a Designated Hedging Agreement entered into with a Loan Party if such counterparty was a Lender (or an Affiliate thereof) at the time the Hedging Agreement was entered into (or, if later, on the date of the Credit Agreement), (g) the beneficiaries of each indemnification obligation undertaken by the Borrower under any Loan Document and (h) the successors and assigns of each of the foregoing.

"Securities" shall mean any obligations of an issuer or any shares, participations or other interests in an issuer or in property or an enterprise of an issuer which (a) are represented by a certificate representing a security in bearer or registered form, or the transfer of which may be registered upon books maintained for that purpose by or on behalf of the issuer, (b) are one of a class or series or by its terms is divisible into a class or series of shares, participations, interests or obligations and (c) (i) are, or are of a type, dealt with or traded on securities exchanges or securities markets or (ii) are a medium for investment and by their terms expressly provide that they are a security governed by Article 8 of the Uniform Commercial Code.

"Securities Account" shall mean an account to which a Financial Asset is or may be credited in accordance with an agreement under which the person maintaining the account undertakes to treat the person for whom the account is maintained as entitled to exercise rights that comprise the Financial Asset.

"Security Entitlements" shall mean the rights and property interests of an Entitlement Holder with respect to a Financial Asset.

"Security Interest" shall have the meaning assigned to such term in Section 2.01.

"Securities Intermediary" shall mean (a) a clearing corporation or (b) a person, including a bank or broker, that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity.

"Subsequent Guaranteed Obligations" means any or all of the following obligations to the extent and only to the extent that at any time after the date hereof such obligations (a) could, without violating any provision of any Indenture relating specifically to guarantees of indebtedness under and grants of security interests in assets to secure such guarantees of indebtedness under a

credit agreement (and without resort to other exceptions to restrictions on incurrence of indebtedness and liens), be guaranteed by the Subsidiary Guarantors pursuant to the Subsidiary Guarantee Agreement and secured by the Subsidiary Grantors pursuant to the Subsidiary Security Agreement and (b) are not included in the Initial Guaranteed Obligations: (i) the due and punctual payment by the Borrower of (A) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans and the Swingline Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (B) each payment required to be made by the Borrower under the Credit Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral and (C) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Borrower to the Secured Parties under the Credit Agreement or the other Loan Documents, (ii) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Borrower and the other Loan Parties under or pursuant to the Credit Agreement, this Agreement and the other Loan Documents and (iii) the due and punctual payment and performance of all obligations of the Loan Parties under each Designated Hedging Agreement entered into with a counterparty that was a Lender (or an Affiliate of a Lender) at the time such Designated Hedging Agreement was entered into (or, if later, on the date of the Credit Agreement).

"Trademark License" shall mean any written agreement, now or hereafter in effect, granting to any third party any right to use any Trademark now or hereafter owned by any Subsidiary Grantor or which any Subsidiary Grantor otherwise has the right to license, or granting to any Subsidiary Grantor any right to use any Trademark now or hereafter owned by any third party, and all rights of any Subsidiary Grantor under any such agreement.

"Trademarks" shall mean all of the following now owned or hereafter acquired by any Subsidiary Grantor: (a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business

identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and pending applications in the United States Patent and Trademark Office, any State of the United States or any similar offices in any other country or any political subdivision thereof, and all extensions or renewals thereof, including those listed on Schedule V except for "Intent to Use" applications for Trademark or Service Mark registrations filed pursuant to Section 1(b) of the Lanham Act, unless and until an Amendment to Allege Use or a Statement of Use under Section 1(c) and 1(d) of said Act has been filed, (b) all goodwill associated therewith or symbolized thereby and (c) all other assets, rights and interests that uniquely reflect or embody such goodwill.

SECTION 1.03. Rules of Interpretation. The rules of interpretation specified in Sections 1.03 and 1.04 of the Credit Agreement shall be applicable to this Agreement.

## ARTICLE II

### Security Interest

SECTION 2.01. Security Interest. As security for the payment or performance, as the case may be, in full of the Guaranteed Obligations, each Subsidiary Grantor hereby bargains, sells, conveys, assigns, sets over, mortgages, pledges, hypothecates and transfers to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest in, all of such Subsidiary Grantor's right, title and interest in, to and under the Guaranteed Obligations Collateral (the "Security Interest"). Without limiting the foregoing, the Collateral Agent is hereby authorized to file one or more financing statements (including fixture filings), continuation statements, filings with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country) or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by each Subsidiary Grantor, without the signature of any Subsidiary Grantor, and naming any Subsidiary Grantor or the Subsidiary Grantors as debtors and the Collateral Agent as secured party.

SECTION 2.02. No Assumption of Liability. The Security Interest is granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Subsidiary Grantor with respect to or arising out of the Guaranteed Obligations Collateral.

### ARTICLE III

#### Representations and Warranties

The Subsidiary Grantors jointly and severally represent and warrant to the Collateral Agent and the Secured Parties that:

SECTION 3.01. Title and Authority. Each Subsidiary Grantor has good and valid rights in and title to the Guaranteed Obligations Collateral with respect to which it has purported to grant a Security Interest hereunder and has full power and authority to grant to the Collateral Agent the Security Interest in such Guaranteed Obligations Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other person other than any consent or approval which has been obtained.

SECTION 3.02. Filings. (a) The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein is correct and complete. Fully executed Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations containing a description of the Guaranteed Obligations Collateral have been delivered to the Collateral Agent for filing in each United States governmental, municipal or other office specified in Schedule 6 to the Perfection Certificate, which are all the filings, recordings and registrations (other than filings required to be made in the United States Patent and Trademark Office and the United States Copyright Office in order to perfect the Security Interest in Guaranteed Obligations Collateral consisting of United States Patents, Trademarks and Copyrights) that are necessary to publish notice of and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the ratable benefit of the Secured Parties) in respect of all Guaranteed Obligations Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its

territories and possessions, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements.

(b) Each Subsidiary Grantor represents and warrants that fully executed security agreements in the form hereof or in a form appropriate for filing with the appropriate office, to the satisfaction of the Collateral Agent, with respect to United States Patents and United States registered Trademarks (and Trademarks for which United States registration applications are pending) and United States registered Copyrights have been delivered to the Collateral Agent for recording by the United States Patent and Trademark Office and the United States Copyright Office pursuant to 35 U.S.C. § 261, 15 U.S.C. § 1060 or 17 U.S.C. § 205 and the regulations thereunder, as applicable, and otherwise as may be required pursuant to the laws of any other necessary jurisdiction, to protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the ratable benefit of the Secured Parties) in respect of all Guaranteed Obligations Collateral consisting of Patents, Trademarks and Copyrights in which a security interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, or in any other necessary jurisdiction, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary (other than such actions as are necessary to perfect the Security Interest with respect to any Guaranteed Obligations Collateral consisting of Patents, Trademarks and Copyrights (or registration or application for registration thereof) acquired or developed after the date hereof).

SECTION 3.03. Validity of Security Interest. The Security Interest constitutes (a) a legal and valid security interest in all the Guaranteed Obligations Collateral securing the payment and performance of the Guaranteed Obligations, (b) subject to the filings described in Section 3.02 above, a perfected security interest in all Guaranteed Obligations Collateral in which a security interest may be perfected by filing, recording or registering a financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the Uniform Commercial Code or other applicable law in such jurisdictions (except as to vehicles) and (c) a security interest that shall be perfected in all Guaranteed Obligations Collateral in which a security interest may be

perfected upon the receipt and recording of this Agreement with the United States Patent and Trademark Office and the United States Copyright Office, as applicable. The Security Interest is and shall be prior to any other Lien on any of the Guaranteed Obligations Collateral, other than Liens expressly permitted to be prior to the Security Interest pursuant to Section 6.03 of the Credit Agreement.

SECTION 3.04. Absence of Other Liens. The Guaranteed Obligations Collateral is owned by the Subsidiary Grantors free and clear of any Lien, except for Liens expressly permitted pursuant to Section 6.03 of the Credit Agreement. No Subsidiary Grantor has filed or consented to the filing of (a) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any Guaranteed Obligations Collateral, (b) any assignment in which any Subsidiary Grantor assigns any Guaranteed Obligations Collateral or any security agreement or similar instrument covering any Guaranteed Obligations Collateral with the United States Patent and Trademark Office or the United States Copyright Office or (c) any assignment in which any Subsidiary Grantor assigns any Guaranteed Obligations Collateral or any security agreement or similar instrument covering any Guaranteed Obligations Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Liens expressly permitted pursuant to Section 6.03 of the Credit Agreement.

#### ARTICLE IV

##### Covenants

SECTION 4.01. Change of Name; Location of Guaranteed Obligations Collateral; Records; Place of Business. (a) Each Subsidiary Grantor agrees promptly to notify the Collateral Agent in writing of any change (i) in its corporate name, (ii) in the location of its chief executive office, its principal place of business, any office in which it maintains books or records relating to Guaranteed Obligations Collateral owned by it or any office or facility at which Guaranteed Obligations Collateral (other than real property and improvements and fixtures thereto) owned by it with a book value in excess of \$250,000 is located (including the establishment of any such new office or facility), (iii) in its identity, corporate structure or jurisdiction of incorporation or organization or (iv) in its Federal Taxpayer Identification Number. Each

Subsidiary Grantor agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected first priority security interest in all the Guaranteed Obligations Collateral. Each Subsidiary Grantor agrees promptly to notify the Collateral Agent if any material portion of the Guaranteed Obligations Collateral owned or held by such Subsidiary Grantor is damaged or destroyed.

(b) Each Subsidiary Grantor agrees to maintain, at its own cost and expense, such complete and accurate records with respect to the Guaranteed Obligations Collateral owned by it as is consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which such Subsidiary Grantor is engaged, but in any event to include complete accounting records indicating all payments and proceeds received with respect to any part of the Guaranteed Obligations Collateral, and, at such time or times as the Collateral Agent may reasonably request, promptly to prepare and deliver to the Collateral Agent a duly certified schedule or schedules in form and detail satisfactory to the Collateral Agent showing the identity, amount and location of any and all Guaranteed Obligations Collateral.

SECTION 4.02. Periodic Certification. Each year, at the time of delivery of annual financial statements with respect to the preceding fiscal year pursuant to Section 5.01 of the Credit Agreement, the Borrower shall deliver to the Collateral Agent a certificate executed by a Financial Officer and a legal officer of the Borrower (a) setting forth the information required pursuant to Section 2 of the Perfection Certificate or confirming that there has been no change in such information since the date of such certificate or the date of the most recent certificate delivered pursuant to Section 4.02 and (b) certifying that all Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations, including all refilings, rerecordings and reregistrations, containing a description of the Guaranteed Obligations Collateral have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified pursuant to clause (a) above to the extent necessary to protect and perfect the Security Interest for a period of not less than 18 months after the date of such certificate (except as noted therein with respect to any continuation

statements to be filed within such period). Each certificate delivered pursuant to this Section 4.02 shall identify in the format of Schedule II, III, IV or V, as applicable, all Intellectual Property of any Subsidiary Grantor in existence on the date thereof and not then listed on such Schedules or previously so identified to the Collateral Agent.

SECTION 4.03. Protection of Security. Each Subsidiary Grantor shall, at its own cost and expense, take any and all actions necessary to defend title to the Guaranteed Obligations Collateral against all persons and to defend the Security Interest of the Collateral Agent in the Guaranteed Obligations Collateral and the priority thereof against any Lien not expressly permitted pursuant to Section 6.03 of the Credit Agreement.

SECTION 4.04. Further Assurances. Each Subsidiary Grantor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time request to better assure, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements (including fixture filings) or other documents in connection herewith or therewith. If any amount payable under or in connection with any of the Guaranteed Obligations Collateral shall be or become evidenced by any promissory note or other instrument (other than promissory notes issued by Illinois Consolidated Telephone Company and set forth in Schedule 6.02 to the Credit Agreement), such note or instrument shall be immediately pledged and delivered to the Collateral Agent, duly endorsed in a manner satisfactory to the Collateral Agent. Each Subsidiary Grantor further agrees that it will not take any action or permit any action to be taken that would cause any membership interest in a limited liability company or partnership interest pledged hereunder to become a "security" as defined in Article 8 of the Uniform Commercial Code of any State or the District of Columbia, unless such membership interest or partnership interest has been certificated and pledged to the Collateral Agent pursuant to the Subsidiary Pledge Agreement.

Without limiting the generality of the foregoing, each Subsidiary Grantor hereby authorizes the Collateral Agent, with prompt notice thereof to the Subsidiary Grantors, to supplement this Agreement by supplementing



Schedule II, III, IV or V hereto or adding additional schedules hereto to specifically identify any asset or item that may constitute Copyrights, Licenses, Patents or Trademarks; provided, however, that any Subsidiary Grantor shall have the right, exercisable within 10 days after it has been notified by the Collateral Agent of the specific identification of such Guaranteed Obligations Collateral, to advise the Collateral Agent in writing of any inaccuracy of the representations and warranties made by such Subsidiary Grantor hereunder with respect to such Guaranteed Obligations Collateral. Each Subsidiary Grantor agrees that it will use its reasonable best efforts to take such action as shall be necessary in order that all representations and warranties hereunder shall be true and correct with respect to such Guaranteed Obligations Collateral within 30 days after the date it has been notified by the Collateral Agent of the specific identification of such Guaranteed Obligations Collateral.

SECTION 4.05. Inspection and Verification. The Collateral Agent and such persons as the Collateral Agent may reasonably designate shall have the right, at the Subsidiary Grantors' own cost and expense, to inspect the Guaranteed Obligations Collateral, all records related thereto (and to make extracts and copies from such records) and the premises upon which any of the Guaranteed Obligations Collateral is located, to discuss the Subsidiary Grantors' affairs with the officers of the Subsidiary Grantors and, upon an Event of Default, with their independent accountants and to verify under reasonable procedures the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to, the Guaranteed Obligations Collateral, including, in the case of Accounts or Guaranteed Obligations Collateral in the possession of any third person, by contacting Account Debtors or the third person possessing such Guaranteed Obligations Collateral for the purpose of making such a verification. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party (it being understood that any such information shall be deemed to be "Information" subject to the provisions of Section 9.12 of the Credit Agreement).

SECTION 4.06. Taxes; Encumbrances. At its option, the Collateral Agent may discharge past due taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Guaranteed Obligations Collateral and not permitted pursuant to Sections 5.05 and 6.03 of the Credit Agreement, and may pay for the maintenance and preservation of the Guaranteed

Obligations Collateral to the extent any Subsidiary Grantor fails to do so as required by the Credit Agreement or this Agreement, and each Subsidiary Grantor jointly and severally agrees to reimburse the Collateral Agent on demand for any payment made or any expense incurred by the Collateral Agent pursuant to the foregoing authorization; provided, however, that nothing in this Section 4.06 shall be interpreted as excusing any Subsidiary Grantor from the performance of, or imposing any obligation on the Collateral Agent or any Secured Party to cure or perform, any covenants or other promises of any Subsidiary Grantor with respect to taxes, assessments, charges, fees, liens, security interests or other encumbrances and maintenance as set forth herein or in the other Loan Documents.

SECTION 4.07. Assignment of Security Interest.

If at any time any Subsidiary Grantor shall take a security interest in any property of an Account Debtor or any other person to secure payment and performance of an Account, such Subsidiary Grantor shall promptly assign such security interest to the Collateral Agent. Such assignment need not be filed of public record unless necessary to continue the perfected status of the security interest against creditors of and transferees from the Account Debtor or other person granting the security interest.

SECTION 4.08. Continuing Obligations of the Subsidiary Grantors. Each Subsidiary Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Guaranteed Obligations Collateral, all in accordance with the terms and conditions thereof, and each Subsidiary Grantor jointly and severally agrees to indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability for such performance.

SECTION 4.09. Use and Disposition of Guaranteed Obligations Collateral. None of the Subsidiary Grantors shall make or permit to be made a pledge or hypothecation of the Guaranteed Obligations Collateral or shall grant any other Lien in respect of the Guaranteed Obligations Collateral, except as expressly permitted by Section 6.03 of the Credit Agreement. None of the Subsidiary Grantors shall make or permit to be made any assignment or transfer of the Guaranteed Obligations Collateral and each Subsidiary Grantor shall remain at all times in possession of the Guaranteed Obligations Collateral owned by it, except that (a) Inventory may be sold in the ordinary course of business and (b) unless and until the Collateral Agent shall notify the Subsidiary Grantors that an Event of Default shall have

governmental bodies applicable to or having jurisdiction over the Subsidiary Grantors unless and until any required approval under the Federal Communications Act of 1934, and any applicable rules and regulations thereunder, requiring the consent to or approval of such action by the FCC or any governmental or other communications authority, have been satisfied and, to the extent applicable, any action taken with respect to, concerning or affecting the Guaranteed Obligations Collateral, directly or indirectly, or any Security Interest granted therein by the Collateral Agent and the Secured Parties shall be subject to any required approval of the FCC and any state or local communications regulatory authority and all applicable communications laws.

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

EACH OF THE SUBSIDIARY  
GRANTORS LISTED ON SCHEDULE I  
HERETO,

by

\_\_\_\_\_  
Name:  
Title: Authorized Signatory

THE CHASE MANHATTAN BANK, as  
Collateral Agent,


by

\_\_\_\_\_  
Name:  
Title:

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

EACH OF THE SUBSIDIARY  
GRANTORS LISTED ON SCHEDULE I  
HERETO,

by

  
\_\_\_\_\_  
Name: J. Lyle Patrick  
Title: Authorized Signatory

THE CHASE MANHATTAN BANK, as  
Collateral Agent,

by

\_\_\_\_\_  
Name:  
Title:

approval of the FCC and any state or local communications regulatory authority and all applicable communications laws.

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

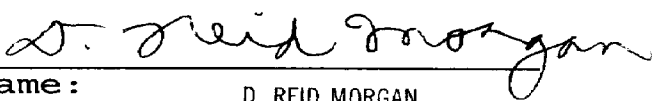
EACH OF THE SUBSIDIARY  
GRANTORS LISTED ON SCHEDULE I  
HERETO,

by

\_\_\_\_\_  
Name:  
Title: Authorized Signatory

THE CHASE MANHATTAN BANK, as  
Collateral Agent,

by

  
\_\_\_\_\_  
Name: D. REID MORGAN  
Title: Managing Director

**Perfection Certificate  
Schedule 11  
Section I: Copyrights**

**U.S. COPYRIGHTS OWNED BY  
McLEODUSA INCORPORATED AND ITS AFFILIATES**

**U.S. Copyright Registrations**

None.

**Pending U.S. Copyright Applications for Registration**

None.

**Non-U.S. Copyright Registrations**

None.

**Non-U.S. Pending Copyright Application for Registration**

None.

## Section II: Licenses

### PART 2

#### LICENSEES/SUBLICENSES OF McLEODUSA INCORPORATED AND ITS AFFILIATES

##### A. Copyrights

###### U.S. Copyrights

None.

###### Non-U.S. Copyrights

None.

##### B. Patents

###### U.S. Patents

None.

###### U.S. Patent Applications

None.

###### Non-U.S. Patents

None.

###### Non-U.S. Patent Applications

None.

SUPPLEMENT NO. \_\_\_ dated as of [ ],  
to the Subsidiary Security Agreement dated as  
of May 31, 2000 (the "Subsidiary Security  
Agreement"), among the Subsidiaries of  
McLeodUSA Incorporated listed on Schedule I  
thereto, and THE CHASE MANHATTAN BANK, as  
Collateral Agent for the Secured Parties (as  
defined therein).

A. Reference is made to (a) the Credit Agreement  
dated as of May 31, 2000 (as amended, supplemented or  
otherwise modified from time to time, the "Credit Agreement"),  
among McLeodUSA Incorporated, the lenders from time to time  
party thereto (the "Lenders"), and The Chase Manhattan Bank,  
as Administrative Agent and Collateral Agent and (b) the  
Subsidiary Security Agreement.

B. Capitalized terms used herein and not otherwise  
defined herein shall have the meanings assigned to such terms  
in the Subsidiary Security Agreement and the Credit Agreement.

C. The Subsidiary Grantors have entered into the  
Subsidiary Security Agreement in order to induce the Lenders  
to make Loans and the Issuing Bank to issue Letters of Credit  
under the Credit Agreement. Pursuant to Section 5.12 of the  
Credit Agreement, each Subsidiary Loan Party that was not in  
existence or not a Subsidiary Loan Party on the date of the  
Credit Agreement is required to enter into the Subsidiary  
Security Agreement as a Subsidiary Grantor upon becoming a  
Subsidiary Loan Party. Section 7.15 of the Subsidiary  
Security Agreement provides that additional Subsidiary Loan  
Parties may become Subsidiary Grantors under the Subsidiary  
Security Agreement by execution and delivery of an instrument  
in the form of this Supplement. The undersigned Subsidiary  
Loan Party (the "New Subsidiary Grantor") is executing this  
Supplement in accordance with the requirements of the Credit  
Agreement to become a Subsidiary Grantor under the Subsidiary  
Security Agreement in order to induce the Lenders to make  
additional Loans and the Issuing Bank to issue additional  
Letters of Credit and as consideration for Loans previously  
made and Letters of Credit previously issued.



Accordingly, the Collateral Agent and the New Subsidiary Grantor agree as follows:

SECTION 1. In accordance with Section 7.15 of the Subsidiary Security Agreement, the New Subsidiary Grantor by its signature below becomes a Subsidiary Grantor under the Subsidiary Security Agreement with the same force and effect as if originally named therein as a Subsidiary Grantor, and the New Subsidiary Grantor hereby (a) agrees to all the terms and provisions of the Subsidiary Security Agreement applicable to it as a Subsidiary Grantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Subsidiary Grantor thereunder are true and correct on and as of the date hereof. In furtherance of the foregoing, the New Subsidiary Grantor, as security for the payment and performance in full of the Guaranteed Obligations (as defined in the Subsidiary Security Agreement), does hereby create and grant to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, their successors and assigns, a security interest in and lien on all of the New Subsidiary Grantor's right, title and interest in and to the Guaranteed Obligations Collateral (as defined in the Subsidiary Security Agreement) of the New Subsidiary Grantor. Each reference to a "Subsidiary Grantor" in the Subsidiary Security Agreement shall be deemed to include the New Subsidiary Grantor. The Subsidiary Security Agreement is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary Grantor represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Subsidiary Grantor and the Collateral Agent. Delivery of an executed signature page to this Supplement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Subsidiary Grantor hereby represents and warrants that (a) set forth on Schedule I attached hereto is a true and correct schedule of the location of any and all Guaranteed Obligations Collateral of the New

Subsidiary Grantor and (b) set forth under its signature hereto, is the true and correct location of the chief executive office of the New Subsidiary Grantor.

SECTION 5. Except as expressly supplemented hereby, the Subsidiary Security Agreement shall remain in full force and effect.

**SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Subsidiary Security Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8. All communications and notices hereunder shall be in writing and given as provided in Section 7.01 of the Subsidiary Security Agreement. All communications and notices hereunder to the New Subsidiary Grantor shall be given to it at the address set forth under its signature below, with a copy to the Borrower.

SECTION 9. The New Subsidiary Grantor agrees to reimburse the Collateral Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Collateral Agent.

IN WITNESS WHEREOF, the New Subsidiary Grantor and the Collateral Agent have duly executed this Supplement to the Subsidiary Security Agreement as of the day and year first above written.

[Name of New Subsidiary Grantor],

by

\_\_\_\_\_  
Name:  
Title:  
Address:

THE CHASE MANHATTAN BANK, as  
Collateral Agent,

by

\_\_\_\_\_  
Name:  
Title:

SCHEDULE I  
to Supplement No. \_\_\_ to the  
Subsidiary Security Agreement

LOCATION OF GUARANTEED OBLIGATIONS COLLATERAL

Description Location