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To the Honorable Commissioner of Patent

101406532

and original documents or copy thereof.

1. Name of conveying party(ies):

MCLEODUSA INCORPORATED

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

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

3. Nature of conveyance:

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

Execution Date: May 31 2000

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

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: 11

7. Total fee (37 CFR 3.41)..... \$240⁰⁰

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

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

07/18/2000 ASCDTT 00000061 2097023

DO NOT USE THIS SPACE

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

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: 18

TRADEMARK/TRADE NAMES OWNED BY MCLEODUSA INCORPORATED

U.S. Trademark Registrations

<u>Mark</u>	<u>Reg. Date</u>	<u>Reg. No.</u>
MCLEOD	9/16/97	2097023
MCLEODUSA	4/7/98	2149798
MCLEODUSA	4/7/98	2149799
MCLEOD USA	4/21/98	2151922
MCLEOD USA	8/25/98	2183392
MCLEOD USA	8/25/98	2183393
TELE-FUN	10/13/98	2196058
TELE-FUN	10/13/98	2196059
RUFFALOCODY	2/23/99	2225179

U.S. Trademark Applications

<u>Mark</u>	<u>Filing Date</u>	<u>Application No.</u>
WE'RE SETTING YOUR WORLD ON FIBER	6/23/99	75-735870
... YOU'RE ON FIBER	6/25/99	75-737448

Non-U.S. Trademark Registrations

None.

Non-U.S. Trademark Applications

None.

Trade Names

None.

BORROWER SECURITY AGREEMENT dated as of May 31, 2000, among McLEODUSA INCORPORATED, a Delaware corporation (the "Borrower"), 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 the Credit Agreement dated as of May 31, 2000 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the lenders from time to time party thereto (the "Lenders") and Chase, as Administrative Agent and 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. 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 Borrower of an agreement in the form hereof to secure all of the Borrower Secured Obligations.

Accordingly, the Borrower 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 the Borrower under, with respect to or on account of an Account.

"Accounts" shall mean (a) any and all right, title and interest of the Borrower 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 Borrower and (b) all indebtedness owed to the Borrower by any Subsidiary pursuant to the Intercompany Loan Agreement.

"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, including the Liens and security interests granted pursuant to the Intercompany Security Agreement.

"Borrower 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 Borrower Collateral shall not include Excluded Collateral.

"Borrower Secured Obligations" shall mean (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 any Loan Party 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).

"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 the Borrower or which the Borrower otherwise has the right to license, or granting to the Borrower the right to use any Copyright now or hereafter owned by any third party, and all rights of the Borrower under any such agreement.

"Copyrights" shall mean all of the following now owned or hereafter acquired by the Borrower: (a) all copy-

right 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 I.

"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 V attached hereto, 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 Borrower 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 the Borrower. The term Equipment shall include Fixtures.

"Excluded Collateral" shall mean (i) the Borrower's 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 Borrower 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 the Borrower 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 the Borrower of every kind and nature (other than Accounts Receivable) now owned or hereafter acquired by the Borrower, 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 the Borrower to secure payment by an Account Debtor of any of the Accounts Receivable.

"Intellectual Property" shall mean all intellectual and similar property of the Borrower of every kind and nature now owned or hereafter acquired by the Borrower, 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 the Borrower, whether now owned or hereafter acquired, held for sale or lease, or furnished or to be furnished by the Borrower under contracts of service, or consumed in the Borrower'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 the Borrower.

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

"License" shall mean any Patent License, Trademark License, Copyright License or other license or sublicense relating to Intellectual Property to which the Borrower is a party, including those listed on Schedule II (other than those license agreements in existence on the date hereof and listed on Schedule II and those license agreements entered into after the date hereof, which by their terms prohibit assignment or a grant of a security interest by the Borrower 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 the Borrower or which the Borrower otherwise has the right to license, is in existence, or granting to the Borrower 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 the Borrower under any such agreement.

"Patents" shall mean all of the following now owned or hereafter acquired by the Borrower: (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 III, 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 Borrower Collateral, any value received as a consequence of the possession of any Borrower 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 Borrower Collateral, and shall include any claim of the Borrower 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 the Borrower, or licensed under a Patent License, (ii) past, present or future infringement or dilution of any Trademark now or hereafter owned by the Borrower or licensed under a Trademark License or injury to the goodwill associated with or symbolized by any Trademark now or hereafter owned by the Borrower, (iii) past, present or future breach of any License and (iv) past, present or future infringement of any Copyright now or hereafter owned by the Borrower 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 Borrower 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 as-signs 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.

"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 the Borrower or which the Borrower otherwise has the right to license, or granting to the Borrower any right to use any Trademark now or hereafter owned by any third party, and all rights of the Borrower under any such agreement.

"Trademarks" shall mean all of the following now owned or hereafter acquired by the Borrower: (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 IV 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 Borrower Secured Obligations, the Borrower 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 the Borrower's right, title and interest in, to and under the Borrower 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 the Borrower, without the signature of the Borrower, and naming the Borrower as debtor 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 the Borrower with respect to or arising out of the Borrower Collateral.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Collateral Agent and the Secured Parties that:

SECTION 3.01. Title and Authority. The Borrower has good and valid rights in and title to the Borrower 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 Borrower 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 Borrower 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 Borrower 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 Borrower 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) The Borrower 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 Borrower 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, refileing, recording, rerecording, registration or reregistration is necessary (other than such actions as are necessary to perfect the Security Interest with respect to any Borrower 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 Borrower Collateral securing the payment and performance of the Borrower Secured Obligations, (b) subject to the filings described in Section 3.02 above, a perfected security interest in all Borrower 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 Borrower 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 Borrower 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 Borrower Collateral is owned by the Borrower free and clear of any Lien, except for Liens expressly permitted pursuant to Section 6.03 of the Credit Agreement. The Borrower has

not 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 Borrower Collateral, (b) any assignment in which the Borrower assigns any Borrower Collateral or any security agreement or similar instrument covering any Borrower Collateral with the United States Patent and Trademark Office or the United States Copyright Office or (c) any assignment in which the Borrower assigns any Borrower Collateral or any security agreement or similar instrument covering any Borrower 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 Borrower Collateral; Records; Place of Business. (a) The Borrower 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 Borrower Collateral owned by it or any office or facility at which Borrower 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. The Borrower 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 Borrower Collateral. The Borrower agrees promptly to notify the Collateral Agent if any material portion of the Borrower Collateral owned or held by the Borrower is damaged or destroyed.

(b) The Borrower agrees to maintain, at its own cost and expense, such complete and accurate records with respect to the Borrower Collateral 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 the Borrower is engaged, but in any event to include complete accounting records indicating all payments and proceeds received with respect to any part of the Borrower 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 Borrower 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 Borrower 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 I, II, III or IV, as applicable, all Intellectual Property of the Borrower 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. The Borrower shall, at its own cost and expense, take any and all actions necessary to defend title to the Borrower Collateral against all persons and to defend the Security Interest of the Collateral Agent in the Borrower 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. The Borrower 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 Borrower 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. The Borrower 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 Borrower Pledge Agreement.

Without limiting the generality of the foregoing, the Borrower hereby authorizes the Collateral Agent, with prompt notice thereof to the Borrower, to supplement this Agreement by supplementing Schedule I, II, III or IV hereto or adding additional schedules hereto to specifically identify any asset or item that may constitute Copyrights, Licenses, Patents or Trademarks; provided, however, that the Borrower shall have the right, exercisable within 10 days after it has been notified by the Collateral Agent of the specific identification of such Borrower Collateral, to advise the Collateral Agent in writing of any inaccuracy of the representations and warranties made by the Borrower hereunder with respect to such Borrower Collateral. The Borrower 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 Borrower Collateral within 30 days after the date it has been notified by the Collateral Agent of the specific identification of such Borrower 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 Borrower's own cost and expense, to inspect the Borrower Collateral, all records related thereto (and to make

extracts and copies from such records) and the premises upon which any of the Borrower Collateral is located, to discuss the Borrower's affairs with the officers of the Borrower and, upon an Event of Default, with its 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 Borrower Collateral, including, in the case of Accounts or Borrower Collateral in the possession of any third person, by contacting Account Debtors or the third person possessing such Borrower 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 Borrower 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 Borrower Collateral to the extent the Borrower fails to do so as required by the Credit Agreement or this Agreement, and the Borrower 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 the Borrower 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 the Borrower 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 the Borrower shall take a security interest in any property of an Account Debtor or any other person to secure payment and performance of an Account, the Borrower 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. The Borrower hereby assigns to the Collateral Agent the security interest that is created by

the Intercompany Security Agreement to secure the payment of Accounts due under the Intercompany Loan Agreement.

SECTION 4.08. Continuing Obligations of the Borrower. The Borrower 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 Borrower Collateral, all in accordance with the terms and conditions thereof, and the Borrower 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 Borrower Collateral. The Borrower shall not make or permit to be made a pledge or hypothecation of the Borrower Collateral nor shall the Borrower grant any other Lien in respect of the Borrower Collateral, except as expressly permitted by Section 6.03 of the Credit Agreement. The Borrower shall not make or permit to be made any assignment or transfer of the Borrower Collateral and the Borrower shall remain at all times in possession of the Borrower Collateral, except that (a) Inventory may be sold in the ordinary course of business and (b) unless and until an Event of Default shall have occurred and be continuing, the Borrower may use and dispose of the Borrower Collateral in any lawful manner not inconsistent with the provisions of this Agreement, the Credit Agreement or any other Loan Document. Without limiting the generality of the foregoing, the Borrower agrees that it shall not, at any time after June 10, 2000 (or such later date as the Collateral Agent may agree), permit any Inventory having an aggregate value of more than \$5,000,000 to be in the possession or control of any warehouseman, bailee, agent or processor at any time unless such warehouseman, bailee, agent or processor shall have been notified of the Security Interest and shall have agreed in writing to hold the Inventory subject to the Security Interest and the instructions of the Collateral Agent.

SECTION 4.10. Limitation on Modification of Accounts. The Borrower will not, without the Collateral Agent's prior written consent, grant any extension of the time of payment of any of the Accounts Receivable, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any person liable for the payment thereof or allow any credit or discount whatsoever thereon, other than extensions, credits, discounts, compromises or settlements granted or made in the ordinary course of business and consistent with its good faith business judgment.

SECTION 4.11. Insurance. The Borrower, at its own expense, shall maintain or cause to be maintained insurance covering physical loss or damage to the Inventory and Equipment in accordance with Section 5.07 of the Credit Agreement. The Borrower irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as the Borrower's true and lawful agent (and attorney-in-fact) for the purpose, during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Borrower Collateral under policies of insurance, endorsing the name of the Borrower on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that the Borrower at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or to pay any premium in whole or part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of the Borrower hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent deems advisable. All sums disbursed by the Collateral Agent in connection with this Section 4.11, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Borrower to the Collateral Agent and shall be additional Borrower Secured Obligations secured hereby.

SECTION 4.12. Legend. If requested by the Collateral Agent, the Borrower shall legend, in form and manner satisfactory to the Collateral Agent, its Accounts Receivable (other than the Accounts described in the next sentence) and its books, records and documents evidencing or pertaining thereto with an appropriate reference to the fact that such Accounts Receivable have been assigned to the Collateral Agent for the benefit of the Secured Parties and that the Collateral Agent has a security interest therein. The Borrower shall, whether or not requested by the Collateral Agent, legend, in form and manner satisfactory to the Collateral Agent, all Accounts representing indebtedness under the Intercompany Loan Agreement and its books, records and documents evidencing or pertaining thereto with an appropriate reference to the fact that such Accounts have been assigned to the Collateral Agent for the benefit of the Secured Parties and that the Collateral Agent has a security interest therein.

SECTION 4.13. Covenants Regarding Patent, Trademark and Copyright Borrower Collateral. (a) The Borrower agrees that it will not, nor will it permit any of its licensees to, do any act, or omit to do any act, whereby any Patent which is material to the conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole, may become invalidated or dedicated to the public, and agrees that it shall continue to mark any products covered by such Patent with the relevant patent number as necessary and sufficient to establish and preserve its maximum rights under applicable patent laws.

(b) The Borrower (either itself or through its licensees or its sublicensees) will, for each Trademark material to the conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole, (i) maintain such Trademark in full force free from any claim of abandonment or invalidity for non-use, (ii) maintain the quality of products and services offered under such Trademark, (iii) display such Trademark with notice of Federal or foreign registration to the extent necessary and sufficient to establish and preserve its maximum rights under applicable law and (iv) not knowingly use or knowingly permit the use of such Trademark in violation of any third party rights.

(c) The Borrower (either itself or through licensees) will, for each work covered by a Copyright material to the conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice as necessary and sufficient to establish and preserve its rights under applicable copyright laws.

(d) The Borrower shall notify the Collateral Agent immediately if it knows or has reason to know that any Patent, Trademark or Copyright material to the conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole, may become abandoned, lost or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, United States Copyright Office or any court or similar office of any country) regarding the Borrower's ownership of any such Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(e) In no event shall the Borrower, either itself or through any agent, employee, licensee or designee, file

an application for any Patent, Trademark or Copyright material to the conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole, (or for the registration of any such Trademark or Copyright) with the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, unless it promptly informs the Collateral Agent, and, upon request of the Collateral Agent, executes and delivers any and all agreements, instruments, documents and papers as the Collateral Agent may request to evidence the Collateral Agent's security interest in such Patent, Trademark or Copyright, and the Borrower hereby appoints the Collateral Agent as its attorney-in-fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable.

(f) The Borrower will take all necessary steps that are consistent with the practice in any proceeding before the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, to maintain and pursue each material application relating to the Patents, Trademarks and/or Copyrights (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trademarks and Copyrights that is material to the conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with good business judgment, to initiate opposition, interference and cancelation proceedings against third parties.

(g) In the event that the Borrower has reason to believe that any Borrower Collateral consisting of a Patent, Trademark or Copyright material to the conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole, has been or is about to be infringed, misappropriated or diluted by a third party, the Borrower promptly shall notify the Collateral Agent and shall, if consistent with good business judgment, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as are appropriate under the circumstances to protect such Borrower Collateral.

(h) Upon and during the continuance of an Event of Default, the Borrower shall use its best efforts to obtain all requisite consents or approvals by the licensor of each Copyright License, Patent License or Trademark License to effect the assignment of all of the Borrower's right, title and interest thereunder to the Collateral Agent or its designee.

ARTICLE V

Collections

SECTION 5. Securities Accounts. The Borrower shall within 75 days after the date hereof (or such longer period as may be agreed by the Collateral Agent) cause any financial intermediary through which it holds Permitted Investments to enter into a control agreement in respect of such Permitted Investments for the benefit of the Secured Parties in a form reasonably acceptable to the Collateral Agent; provided, that (i) no such control agreement shall be required for any bank account so long as such bank account does not hold more than \$1 million, (ii) the Borrower shall use its reasonable best efforts to enter into such a control agreement with respect to any bank account holding more than \$1 million but less than \$10 million (but the time limit stated above shall not apply) and (iii) the Borrower shall in any event not allow \$10 million or more to remain for more than five days in any bank account that is not subject to such a control agreement.

ARTICLE VI

Remedies

SECTION 6.01. Remedies upon Default. Upon the occurrence and during the continuance of an Event of Default, the Borrower agrees to deliver each item of Borrower Collateral to the Collateral Agent on demand, and it is agreed that the Collateral Agent shall have the right to take any of or all the following actions at the same or different times: (a) with respect to any Borrower Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any of or all such Borrower Collateral by the Borrower to the Collateral Agent, or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any such Borrower Collateral throughout the world on such terms and conditions and in such manner as the

Collateral Agent shall determine (other than in violation of any then-existing licensing arrangements to the extent that waivers cannot be obtained), and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the Borrower Collateral (and terminate any Approved Lease Agreements) and without liability for trespass to enter any premises where the Borrower Collateral may be located for the purpose of taking possession of or removing the Borrower Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, the Borrower agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Borrower Collateral, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Borrower Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Borrower Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of the Borrower, and the Borrower hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which the Borrower now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Collateral Agent shall give the Borrower 10 days' written notice (which the Borrower agrees is reasonable notice within the meaning of Section 9-504(3) of the Uniform Commercial Code as in effect in the State of New York or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Borrower Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Borrower Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such

sale, the Borrower Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Borrower Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Borrower Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Borrower Collateral is made on credit or for future delivery, the Borrower Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Borrower Collateral so sold and, in case of any such failure, such Borrower Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Section, any Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of the Borrower (all said rights being also hereby waived and released to the extent permitted by law), the Borrower Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Secured Party from the Borrower as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to the Borrower therefor. For purposes hereof, a written agreement to purchase the Borrower Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and the Borrower shall not be entitled to the return of the Borrower Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Borrower Secured Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Borrower Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver.

SECTION 6.02. Application of Proceeds. The Collateral Agent shall apply the proceeds of any collection or sale of the Borrower Collateral, as well as any Borrower Collateral consisting of cash, as follows:

FIRST, to the payment of all costs and expenses incurred by the Administrative Agent or the Collateral Agent (in its capacity as such hereunder or under any other Loan Document) in connection with such collection or sale or otherwise in connection with this Agreement or any of the Borrower Secured Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Loan Document on behalf of the Borrower and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of the Borrower Secured Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Borrower Secured Obligations owed to them on the date of any such distribution); and

THIRD, to the Borrower, its successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of the Borrower Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of any such proceeds, moneys or balances by the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Borrower Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 6.03. Grant of License To Use Intellectual Property. For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Article at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, the Borrower hereby grants to the Collateral Agent an irrevocable, non-exclusive license (exercisable without

payment of royalty or other compensation to the Borrower) to use or sub-license any of the Borrower Collateral consisting of Intellectual Property now owned or hereafter acquired by the Borrower, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The use of such license by the Collateral Agent shall be exercised, at the option of the Collateral Agent, solely upon the occurrence and during the continuation of an Event of Default; provided that any sub-license or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon the Borrower notwithstanding any subsequent cure of an Event of Default.

ARTICLE VII

Miscellaneous

SECTION 7.01. Notices. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 9.01 of the Credit Agreement.

SECTION 7.02. Security Interest Absolute. All rights of the Collateral Agent hereunder, the Security Interest and all obligations of the Borrower hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Borrower Secured Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Borrower Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Borrower Secured Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower in respect of the Borrower Secured Obligations or this Agreement.

SECTION 7.03. Survival of Agreement. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments prepared or delivered in connection with or

pursuant to this Agreement shall be considered to have been relied upon by the Secured Parties and shall survive the making by the Lenders of the Loans and other extensions of credit contemplated by the Credit Agreement, regardless of any investigation made by the Lenders or on their behalf, and shall continue in full force and effect until this Agreement shall terminate.

SECTION 7.04. Binding Effect; Several Agreement.

This Agreement shall become effective when a counterpart hereof executed on behalf of the Borrower shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon the Borrower and the Collateral Agent and their respective successors and assigns, and shall inure to the benefit of the Borrower, the Collateral Agent and the other Secured Parties and their respective successors and assigns, except that the Borrower shall not have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Borrower Collateral (and any such assignment or transfer shall be void) except as expressly contemplated by this Agreement or the Credit Agreement.

SECTION 7.05. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

SECTION 7.06. Collateral Agent's Fees and Expenses; Indemnification. (a) The Borrower agrees to pay upon demand to the Collateral Agent the amount of any and all reasonable expenses, including the reasonable fees, disbursements and other charges of its counsel and of any experts or agents, which the Collateral Agent may incur in connection with (i) the administration of this Agreement (including the customary fees and charges of the Collateral Agent for any audits conducted by it or on its behalf with respect to the Accounts Receivable or Inventory), (ii) the custody or preservation of, or the sale of, collection from or other realization upon any of the Borrower Collateral, (iii) the exercise, enforcement or protection of any of the rights of the Collateral Agent hereunder or (iv) the failure of the Borrower to perform or observe any of the provisions hereof.

(b) Without limitation of its indemnification obligations under the other Loan Documents, the Borrower agrees to indemnify the Collateral Agent and the other Indemnitees (as defined in Section 9.03 of the Credit Agreement) against, and hold each of them harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable fees, disbursements and other charges of counsel, incurred by or asserted against any of them arising out of, in any way connected with, or as a result of, the execution, delivery or performance of this Agreement or any agreement or instrument contemplated hereby or any claim, litigation, investigation or proceeding relating hereto or to the Borrower Collateral, whether or not any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses resulted from the bad faith, gross negligence or willful misconduct of such Indemnitee.

(c) Any such amounts payable as provided hereunder shall be additional Borrower Secured Obligations secured hereby and by the other Security Documents. The provisions of this Section 7.06 shall remain operative and in full force and effect regardless of the termination of this Agreement or any other Loan Document, the consummation of the transactions contemplated hereby, the repayment of any of the Borrower Secured Obligations, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Collateral Agent or any other Secured Party. All amounts due under this Section 7.06 shall be payable within 10 days of written demand therefor.

SECTION 7.07. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 7.08. Waivers; Amendment. (a) No failure or delay of the Collateral Agent in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent hereunder and of the Collateral Agent, the Issuing Bank, the Administrative Agent and the Lenders under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provisions of this Agreement or any other Loan Document or consent to any departure by the Borrower therefrom shall

in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent and the Borrower, subject to any consent required in accordance with Section 9.02 of the Credit Agreement.

SECTION 7.09. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.09.

SECTION 7.10. Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein 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 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 7.11 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract, and shall become effective as provided in Section 7.04. Delivery of an executed signature page to this Agreement by facsimile

transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 7.12. Headings. Article and Section headings used herein are for the purpose of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 7.13. Jurisdiction; Consent to Service of Process. (a) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Collateral Agent, the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against the Borrower or its properties in the courts of any jurisdiction.

(b) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process by mail in the manner provided for notices in Section 7.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 7.14. Termination. This Agreement and the Security Interest shall terminate when all the Borrower Secured Obligations have been paid in full, the Lenders have no further commitment to lend, the L/C Exposure has been reduced to zero and the Issuing Bank has no further commitment to issue Letters of Credit under the Credit Agreement, at which time the Collateral Agent shall execute and deliver to the Borrower, at the Borrower's expense, all Uniform Commercial Code termination statements and similar documents which the Borrower shall reasonably request to evidence such termination. Upon the written request of the Borrower, the Collateral Agent will execute appropriate financing statement amendments to confirm that assets otherwise listed thereon are Excluded Collateral. Any execution and delivery of termination statements or documents pursuant to this Section 7.14 shall be without recourse to or warranty by the Collateral Agent.

SECTION 7.15. Compliance with Laws.

Notwithstanding anything herein which may be construed to the contrary, no action shall be taken by any of the Collateral Agent and the Secured Parties with respect to the Licenses or any license, permit, certificate or authorization of the Federal Communications Commission ("FCC") or any other federal, state or local regulatory or governmental bodies applicable to or having jurisdiction over the Borrower 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 Borrower 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.

MCLEODUSA INCORPORATED,

by


Name: Joseph Cerjanec
Title: Vice President and Treasurer

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.

McLEODUSA INCORPORATED,

by _____
Name:
Title:

THE CHASE MANHATTAN BANK, as
Collateral Agent,

by *D. Reid Morgan*
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.

C. Trademarks

U.S. Trademarks

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

U.S. Trademark Applications

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

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 TELECOMMUNICATIONS CORPORATION	4/4/95	1887486
ACCESS LONG DISTANCE	3/26/96	1963744

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

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 FOR TO REACH MORE PEOPLE	4/25/95	1891842
SPECTRACOLOR	9/22/98	2191399

U.S. Trademark Applications

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

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
FROM VISION COME VALUES	8/13/96	1993425

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
FINALLY, IT ALL FITS	3/31/98	2148186

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 RESPONSE	2/17/98	2136588

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 TELECOMMUNICATIONS GROUP	11/30/99	2295383

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

U.S. Trademark Applications

None.

Non-U.S. Trademark Registrations

None.

Non-U.S. Trademark Applications

None.

Trade Names

None.

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

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

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

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 TELEMAGEMENT, INC.

U.S. Trademark Registrations

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

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
IN TOUCH	1/26/99	2219875

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

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

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
NEWCOM TECHNOLOGIES	10/21/97	2107018
NEWCOM COMPANIES	10/21/97	2107506

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 & PUBLISHERS, INC.	2/2/88	1474930

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

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

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
VIEWERCALL	1/2/96	1945600
CAMPUSCALL	8/13/96	1992581
MEMBERCALL	12/15/98	2210843
MEMBERCALL	12/15/98	2210844

U.S. Trademark Applications

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

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 SOUTHERN ILLINOIS	9/5/95	74-724457
FIRST CELLULAR	9/5/95	74-724761

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
SPLITROCK	9/21/99	2279896
A CARRIER OF WISDOM	9/14/99	2278397
SPLITROCK	8/17/99	2271096

U.S. Trademark Applications

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

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
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 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
UNITED STATES	SPLITROCK	9/21/99	2279896
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 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
UNITED STATES	ATM-TO-THE-EDGE	3/12/99	75/659747
UNITED STATES	SPLIT PORTION OF ROCK DESIGN	3/6/98	75/446255
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 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
UNITES STATES	SPLITROCK.NET	3/12/99	75/659745

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

U.S. Trademark Applications

None.

Non-U.S. Trademark Registrations

None.

Non-U.S. Trademark Applications

None.

Trade Names

None.