



# INTELLECTUAL PROPERTY SECURITY AGREEMENT

**THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT** (as may be amended, supplemented and otherwise modified from time to time, "IP Security Agreement") is made and effective as of September 10, 1998, by **TCC COMMUNICATIONS INC.** (including any successor or permitted assignee thereof, "Grantor"), in favor of MCG FINANCE CORPORATION (including any successor, participant, assignee or transferee thereof, "Lender").

## RECITALS

**WHEREAS**, Grantor and each of its direct and indirect Subsidiaries (each, a "Borrower"; collectively, the "Borrowers") desire and have applied to Lender for a credit facility consisting of a \$4.0 million term loan arrangement and a \$1.5 million advised, uncommitted loan arrangement; and

**WHEREAS**, pursuant to that certain Credit Facility Agreement by and among Borrowers and Lender dated as of September 10, 1998 (as may be amended from time to time, "Credit Agreement"), a condition precedent to Lender's obligation to execute and perform under the Credit Agreement is that Grantor shall have executed and delivered that certain Security Agreement by and between Grantor and Lender dated as of September 10, 1998 (as may be amended from time to time, "Security Agreement") encumbering all of Grantor's tangible and intangible personal property assets in favor of Lender; and

**WHEREAS**, under the terms of the Security Agreement, Grantor has agreed to assign certain intellectual property to Lender for purposes of securing the obligations to Lender under the Credit Agreement and related Loan Documents; and

**WHEREAS**, Grantor has determined that it is in its best interest to execute this IP Security Agreement inasmuch as Grantor will derive substantial direct and indirect benefits from the funding of the Advances by Lender pursuant to the Credit Agreement;

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Grantor and Lender hereby agree as follows:

1. Grant. Grantor hereby grants to Lender an absolute, present, unconditional, continuing first priority security interest in and to Grantor's entire right, title and interest in and to the following property and rights (collectively, the "Collateral"):

(a) The U.S., state and foreign copyrights, associated copyright registrations and applications for copyright registration, and copyright licenses set forth on Schedule A attached hereto (collectively, the "Copyrights"); and

(b) The U.S., state and foreign patents and patent applications, and patent licenses set forth on Schedule B attached hereto, including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same (collectively, the "Patents"); and

(c) The U.S., state and foreign trademark and service mark registrations, trademark and service mark applications, and trademark and service mark licenses

set forth on Schedule C attached hereto (including all associated goodwill, collectively, the "Trademarks"); and

(d) Any and all claims and causes of action for past present or future infringement of any of the Collateral, with the right, but not the obligation, to sue for and collect damages for infringement of the Collateral, and

(e) Any and all licenses or rights granted under any of the Collateral, and all license fees and royalties arising from such licenses or rights, to the extent permitted by such licenses or rights; and

(f) Any and all amendments, renewals, extensions, reissuances and replacements of any of the Collateral; and

(g) Any and all products and proceeds of any of the foregoing.

2. Requested Recordation Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks (and any state, foreign or other authorities to which this IP Security Agreement is submitted) to file and record this IP Security Agreement (and any corresponding or separate application forms of such jurisdiction) in order to publicly reflect Lender's interest in the Collateral.

3. Assignment Upon the occurrence of an Event of Default (as defined in the Security Agreement), Grantor shall execute and deliver to Lender an absolute assignment transferring its entire right, title, and interest in and to the Collateral to Lender

4. Power of Attorney Grantor hereby irrevocably grants Lender a power of attorney, to act as Grantor's attorney-in-fact, with full authority in the name, place and stead of Grantor, from time to time in Lender's discretion upon the occurrence and during the continuance of a Default or Event of Default, to take any action and to execute any instrument which Lender may deem reasonably necessary or advisable to accomplish the purposes of the Security Agreement or this IP Security Agreement. This authority includes, without limitation, the following:

(a) To modify or amend whether or not a Default or Event of Default has occurred (in Lender's sole discretion and without first obtaining Grantor's approval of or signature thereto) Schedule A, Schedule B, and/or Schedule C hereof, as appropriate, to include references to any registered intellectual property (or application or license therefor) acquired by Grantor after the execution hereof or to delete any reference to any Collateral in which Grantor no longer has or claims any right, title or interest; and

(b) To execute, file and pursue (in Lender's sole discretion and without first obtaining Grantor's approval of or signature thereto, unless otherwise prohibited by applicable law) any application, form or other document in order to perfect, maintain, continue or otherwise protect Lender's interest or Grantor's rights in the Collateral, including, without limitation, executing and filing (i) any financing statement, any continuation statement or any amendment thereto, and (ii) any document in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or the relevant office of any state or foreign jurisdiction (including, without limitation, the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings) and to pay any fees and taxes in connection therewith or otherwise; and

(c) To execute any assignment or other document required to acknowledge, register or perfect Lender's interest in any part of the Collateral without the signature of Grantor unless prohibited by applicable law.

The foregoing power of attorney is coupled with an interest and is irrevocable.

5. Release. The security interest granted herein will terminate (and all rights to the Collateral will revert to Grantor) upon satisfaction of the following conditions:

(a) payment and performance in full of all the obligations secured hereby (unconditionally and indefeasibly) and (b) the termination of the Credit Agreement (and the Facilities thereunder). Upon any such termination, Lender (at Grantor's request and sole expense) will execute and deliver to Grantor (without any representation, warranty or recourse of any kind whatsoever) such documents as Grantor may reasonably request and provide to Lender to evidence such termination.

6. Miscellaneous. This IP Security Agreement has been entered into in conjunction with the provisions of and the security interest granted to Lender under the Security Agreement. The rights and remedies of Grantor and Lender with respect to the security interest granted herein are in addition and without prejudice to those set forth in the Security Agreement and the Credit Agreement, all terms and provisions of which are hereby incorporated herein by reference. This IP Security Agreement may be executed in any number of counterparts with the same effect as if all the signatures on such counterparts appeared on one document; each such counterpart will be deemed to be an original but all counterparts together will constitute one and the same instrument. In the event that any provisions of this IP Security Agreement are deemed to conflict with the Security Agreement or the Credit Agreement, the provisions of the Security Agreement or Credit Agreement shall govern.

[BALANCE OF PAGE INTENTIONALLY BLANK]

**IN WITNESS WHEREOF**, the parties hereto have executed this IP Security Agreement, as an instrument under seal (whether or not any such seals are physically attached hereto), through their duly authorized officers, as of the date first written above.

**ATTEST:**

By: *Mary C. Larkin*  
Name: Mary C. Larkin  
Title: Secretary

[CORPORATE SEAL]

**TCC COMMUNICATIONS, INC.**  
(Grantor)

By: *David M. Larkin*  
Name: David M. Larkin  
Title: Chairman

Address: 1807 N. Center Street  
Beaver Dam, WI 53916

Telephone: (920) 887-3148  
Facsimile: (920) 885-2879

**WITNESS:**

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

**MCG FINANCE CORPORATION**  
(Lender)

By: \_\_\_\_\_  
Name: John S. Patton, Jr.  
Title: Vice President

Address: 1100 Wilson Blvd.  
Suite 800  
Arlington, VA 22209

Telephone: (703)247-7500  
Facsimile: (703)247-7505

**IN WITNESS WHEREOF**, the parties hereto have executed this IP Security Agreement, as an instrument under seal (whether or not any such seals are physically attached hereto), through their duly authorized officers, as of the date first written above.

**ATTEST:**

**TCC COMMUNICATIONS, INC.**  
(Grantor)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Secretary

By: \_\_\_\_\_  
Name: David M. Larkin  
Title: Chairman

[CORPORATE SEAL]

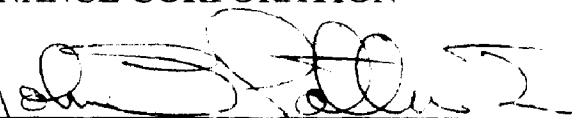
Address: 1807 N. Center Street  
Beaver Dam, WI 53916

Telephone: (920) 887-3148  
Facsimile: (920) 885-2879

**WITNESS:**

**MCG FINANCE CORPORATION**  
(Lender)

By: Mr. Maryanell

By:   
Name: John S. Patton, Jr.  
Title: Vice President

Address: 1100 Wilson Blvd.  
Suite 800  
Arlington, VA 22209

Telephone: (703)247-7500  
Facsimile: (703)247-7505

ACKNOWLEDGMENT

STATE OF Wisconsin :  
: SS  
COUNTY OF Dodge :

Before me, the undersigned, a Notary Public, on this 2<sup>nd</sup> day of ~~August~~ <sup>September</sup>, 1998, personally appeared David M. Larkin and Merry C. Larkin, to me known personally, who, being by me duly sworn, did each separately say that he/she is the Chairman and Secretary (respectively, as appropriate) of TCC Communications, Inc., and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said TCC Communications, Inc. by authority of its Board of Directors, and the said Chairman and Secretary each acknowledged said instrument to be his/her free act and deed.

David M. Felkrecht  
Notary Public

My Commission Expires: 12-6-98

**ACKNOWLEDGEMENT**

WASHINGTON, D.C.: SS

Before me, the undersigned, a Notary Public, on this 10th day of September, 1998, personally appeared John S. Patton, Jr., to me known personally, who, being by me duly sworn, did say that he is the Vice President of **MCG FINANCE CORPORATION**, and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said MCG Finance Corporation by authority of its Board of Directors (through its Credit Committee), and the said John S. Patton, Jr. acknowledged said instrument to be his free act and deed.

*Phyllis T. Ferguson*  
\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

151776

**PHYLLIS T. FERGUSON**  
Notary Public, District of Columbia  
My Commission Expires February 28 2002



**SCHEDULES TO IP SECURITY AGREEMENT**

**SCHEDULE A**  
**Copyright Collateral**

None

**SCHEDULE B**

**Patent Collateral**

None

## U.S. Trademark Applications and Registrations for TCC Communications Inc.

<u>Mark</u>	<u>Serial Number</u>	<u>Registration Number</u>	<u>Filing Date</u>	<u>Status</u>
POWER NUMBER	75/390,656		11/17/98	Pending
POWER COMMUNI- CATIONS	75/005,378		10/13/95	Allowed
POWERCOM	75/005,145	2,088,186	10/13/95	Registered
POWERPATROL			8/13/98	Awaiting Issuance of Serial No.