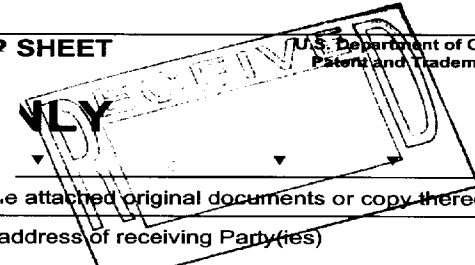


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5-21-99

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

1. Name of conveying Party(ies):
MANHATTAN TELECOMMUNICATIONS CORPORATION

- Individual(s)
- General partnership
- Corporation-State Delaware
- 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 6, 1999

2. Name and address of receiving Party(ies)

Name: MCG FINANCE CORPORATION

Internal Address: SUITE 800

Street Address: 1100 Wilson Boulevard

City: Arlington State: VA ZIP: 22209

Individual(s) Citizenship

Association

General Partnership

Limited Partnership

Corporation-State Delaware

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 registration number(s):

A. Trademark Application No.(s)

75/294504
75/567988
74/253175

B. Trademark Registration No's

Additional numbers attached? Yes No

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

Name: Dana E. Stern, Esq

Internal Address: Bryan Cave LLP
Suite 700

Street Address: 700 13th Street, N.W.

City: Washington State: DC ZIP: 20005

6. Total Number of applications and registrations involved:.....

3

7. Total fee (37 CFR 3.41):.....\$ 90.00

Enclosed

Authorized to be charged to deposit account

8. Deposit Account number:

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

DO NOT USE THIS SPACE

9. State 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.

Dana E. Stern

Name of Person Signing

Signature

May 17, 1999

Date

Total number of pages including this cover sheet and any attachments: 12

OMB No. 0651-0011 (exp. 4/94)

05/25/1999 BNGUYEN 00000021 75294504

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02 FC:482

40.00 DP
50.00 DP

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

Schedule C
Trademark Collateral

METROPOLITAN TELECOMMUNICATIONS -- US Trademark Application Serial No. 75/294,504
Class 38 – Telephone Services

METTEL -- US Trademark Application Serial No. 75/567,988
Class 38 – Telephone Services

PRICOM -- US Trademark Application Serial No. 74/253,175
Class 38 – Telephone Services

MetTel

Confidential & Proprietary

05/03/99

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TRADEMARK
REEL: 001901 FRAME: 0198

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 May 6, 1999, by **METROPOLITAN TELECOMMUNICATIONS** (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 certain related parties (each, a "Borrower"; collectively, the "Borrowers") desire and have applied to Lender for a credit facility consisting of a \$5.0 million term loan credit arrangement; and

WHEREAS, pursuant to that certain Credit Facility Agreement by and among Borrowers and Lender dated as of May 6, 1999 (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 May 6, 1999 (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, 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 (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:

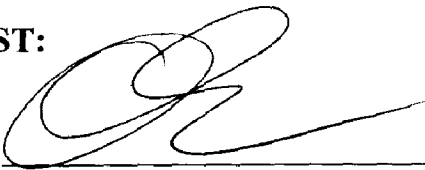
(a) payment and performance in full of all the obligations secured hereby (unconditionally and indefeasibly) and (b) the termination of the Credit Agreement (and the Facilities thereunder). Upon any such termination, Lender (at Grantor's request and sole expense) will execute and deliver to Grantor (without 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.

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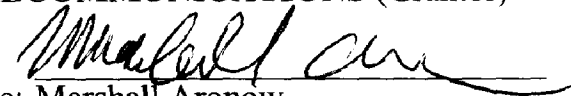
IN WITNESS WHEREOF, the parties hereto have executed this IP Security Agreement, as an instrument under seal (whether or not any such seals are physically attached hereto), through their duly authorized officers, as of the date first written above.

ATTEST:

By: 
Name: Andoni Economou
Title: Secretary

[CORPORATE SEAL]

**METROPOLITAN
TELECOMMUNICATIONS (Grantor)**

By: 
Name: Marshall Aronow
Title: Co-President

Address: 301 Park Avenue
East Tower, 19th Floor
New York, NY 10022

Telephone: () -
Facsimile: (212) 759-0706

WITNESS:

By: _____

**MCG FINANCE CORPORATION
(Lender)**

By: _____
Vincent P. Griffin, Managing Director

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

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

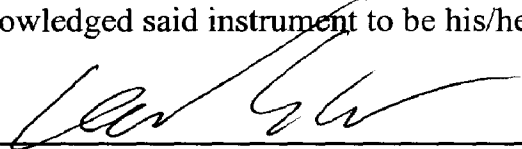
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**TRADEMARK
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ACKNOWLEDGMENT

STATE OF New York :
 : SS
COUNTY OF New York :

Before me, the undersigned, a Notary Public, on this 5 day of May, 1999, personally appeared **Marshall Aronow** and **Andoni Economou**, to me known personally, who, being by me duly sworn, did each separately say that he/she is the Co-President and Secretary (respectively, as appropriate) of **Manhattan Telecommunications Corporation**, and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said **Manhattan Telecommunications Corporation** by authority of its Board of Directors, and the said Co-President and Secretary each acknowledged said instrument to be his/her free act and deed.



Notary Public
My Commission Expires: _____

David E. Aronow
Notary Public, State of New York
No. 02AR5080242
Qualified in New York County
Commission Expires June 16, 1999

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: _____
Name: Andoni Economou
Title: Secretary

[CORPORATE SEAL]

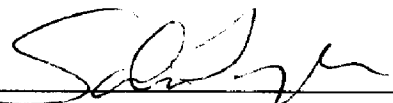
**METROPOLITAN
TELECOMMUNICATIONS (Grantor)**

By: _____
Name: Marshall Aronow
Title: Co-President

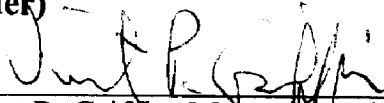
Address: 301 Park Avenue
East Tower, 19th Floor
New York, NY 10022

Telephone: (212) 759-0577
Facsimile: (212) 759-0706

WITNESS:

By:  _____

**MCG FINANCE CORPORATION
(Lender)**

By:  _____
Vincent P. Griffin, Managing Director

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

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

162624

ACKNOWLEDGEMENT

STATE OF Virginia :
 : SS
COUNTY OF Accomack :

April Before me, the undersigned, a Notary Public, on this 30th day of _____, 1999, personally appeared **Vincent P. Griffin**, to me known personally, who, being by me duly sworn, did say that he is the **Managing Director** 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 **Vincent P. Griffin** acknowledged said instrument to be his free act and deed.

Emma J. Beach
Notary Public

My Commission Expires: May 31, 2002

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Schedule A
Copyright Collateral

None

Schedule B
Patent Collateral

None

Schedule C
Trademark Collateral

METROPOLITAN TELECOMMUNICATIONS -- US Trademark Application Serial No. 75/294,504
Class 38 – Telephone Services

METTEL -- US Trademark Application Serial No. 75/567,988
Class 38 – Telephone Services

PRICOM – US Trademark Application Serial No. 74/253,175
Class 38 – Telephone Services

MetTel

Confidential & Proprietary

05/03/99

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RECORDED: 05/21/1999

**TRADEMARK
REEL: 001901 FRAME: 0209**