

03-31-2000



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02/25/00

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type		Conveyance Type	
<input checked="" type="checkbox"/> New	<input type="checkbox"/> Resubmission (Non-Recordation) Document ID # <input type="text"/>	<input type="checkbox"/> Assignment	<input type="checkbox"/> License
<input type="checkbox"/> Correction of PTO Error Reel # <input type="text"/> Frame # <input type="text"/>	<input type="checkbox"/> Corrective Document Reel # <input type="text"/> Frame # <input type="text"/>	<input checked="" type="checkbox"/> Security Agreement	<input type="checkbox"/> Nunc Pro Tunc Assignment Effective Date Month Day Year <input type="text"/>
		<input type="checkbox"/> Merger	
		<input type="checkbox"/> Change of Name	
		<input type="checkbox"/> Other <input type="text"/>	

Conveying Party Mark if additional names of conveying parties attached

Name Execution Date Month Day Year

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Corporation Association

Other

Citizenship/State of Incorporation/Organization

03/30/2000 DCOATES 00000180 75390826

FOR OFFICE USE ONLY

01 FC:481
02 FC:482 (40.00 OP
75.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

TRADEMARK

REEL: 002041 FRAME: 0857

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

Number of Properties

Enter the total number of properties involved. #

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Lance W. Peterson

Name of Person Signing



Signature

February 22, 2000

Date Signed

Patent and Trademark Security Agreement

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of January 26, 2000, is made between Fiber Communications, Inc., a Delaware corporation ("Grantor"), and Cisco Systems Capital Corporation, a Nevada corporation ("CSCC").

Grantor and CSCC hereby agree as follows:

SECTION 1 Definitions; Interpretation.

(a) Terms Defined in Security Agreement. All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Security Agreement.

(b) Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Collateral" has the meaning set forth in Section 2.

"PTO" means the United States Patent and Trademark Office.

"Security Agreement" means the Security Agreement dated as of the date hereof, between Grantor and CSCC.

"Secured Party" means collectively CSCC and any other Cisco Company to which any Obligations are at any time owing by Grantor.

(c) Terms Defined in UCC. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(d) Interpretation. The rules of interpretation applicable to the Security Agreement shall also be applicable to this Agreement and are incorporated herein by this reference.

SECTION 2 Security Interest.

(a) Grant of Security Interest. As security for the payment and performance of the Obligations, Grantor hereby transfers and conveys to the Secured Party, and grants a security interest in and mortgage to the Secured Party, all of Grantor's right, title and interest in, to and under the following property, in each case whether now or hereafter existing or arising or in which Grantor now has or hereafter owns, acquires or develops an interest and wherever located (collectively, the "Collateral"):

(i) all patents and patent applications, domestic or foreign, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such patents and patent applications as described in Schedule A), all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;

(ii) all state (including common law), federal and foreign trademarks, service marks and trade names, and applications for registration of such trademarks, service marks and trade names,

all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such marks, names and applications as described in Schedule B), whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;

(iii) the entire goodwill of or associated with the businesses now or hereafter conducted by Grantor connected with and symbolized by any of the aforementioned properties and assets;

(iv) all general intangibles and all intangible intellectual or other similar property of Grantor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(v) all proceeds of any and all of the foregoing Collateral (including license royalties, rights to payment, accounts receivable and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not CSCC is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral.

The foregoing notwithstanding, the term "Collateral" shall not include, any general intangibles of Grantor (whether owned or held as licensee, or otherwise), to the extent that (i) such general intangibles are not assignable or capable of being encumbered as a matter of law or under the terms of the license or other agreement applicable thereto (but solely to the extent that any such restriction shall be enforceable under applicable law), without the consent of the licensor thereof or other applicable party thereto and (ii) such consent has not been obtained; provided, however, that the foregoing grant of security interest shall extend to, and the term "Collateral" shall include, (A) any general intangible which is an account receivable or a proceed of, or otherwise related to the enforcement or collection of, any account receivable, or goods which are the subject of any account receivable, (B) any and all proceeds of any general intangibles which are otherwise excluded to the extent that the assignment or encumbrance of such proceeds is not so restricted, and (C) upon obtaining the consent of any such licensor or other applicable party with respect to any such otherwise excluded general intangibles, such general intangibles as well as any and all proceeds thereof that might have theretofore been excluded from such grant of a security interest and the term "Collateral".

(b) Continuing Security Interest. Grantor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 18.

SECTION 3 Supplement to Security Agreement. The terms and provisions of this Agreement are intended as a supplement to the terms and provisions of the Security Agreement. Grantor acknowledges that the rights and remedies of CSCC with respect to the security interests in the Collateral granted hereby are more fully set forth in the Security Agreement and the other Loan Documents and all such rights and remedies are cumulative.

SECTION 4 Representations and Warranties. Grantor represents and warrants to Secured Party that:

(a) Patents. A true and correct list of all of the existing Collateral consisting of U.S. patents and patent applications and/or registrations owned by Grantor, in whole or in part, is set forth in Schedule A.

(b) Trademarks. A true and correct list of all of the existing Collateral consisting of U.S. trademarks, trademark registrations and/or applications owned by Grantor, in whole or in part, is set forth in Schedule B.

SECTION 5 Covenants. So long as any of the Obligations remain unsatisfied, Grantor agrees that:

(a) Further Acts. On a continuing basis, Grantor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, including appropriate financing and continuation statements and security agreements, and take all such action as may be necessary or advisable or may be requested by CSCC to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure Grantor's compliance with this Agreement or to enable CSCC to exercise and enforce its rights and remedies hereunder with respect to the Collateral.

(b) Compliance with Agreement. Grantor shall comply with each of the terms and provisions of this Agreement and the Security Agreement, and not enter into any agreement (including any license agreement) which is inconsistent with the obligations of Grantor under this Agreement, without CSCC's prior written consent.

(c) Liens. Grantor shall keep the Collateral free of all Liens except Permitted Liens.

(d) Disposition of Collateral. Grantor shall not surrender, sell, lease, or otherwise dispose of or transfer any of the Collateral or any right or interest therein, except to the extent permitted by the Loan Documents and except for non-exclusive licenses in the ordinary course of business.

SECTION 6 Future Rights. Except as otherwise expressly agreed to in writing by CSCC, if and when Grantor shall obtain rights to any new patentable inventions or any new trademarks, or become entitled to the benefit of any of the foregoing, or obtain rights or benefits with respect to any reissue, division, continuation, renewal, extension or continuation-in-part of any patents or trademarks, or any improvement of any patent, the provisions of Section 2 shall automatically apply thereto and Grantor shall give to CSCC prompt notice thereof. Grantor shall do all things deemed necessary or advisable by CSCC to ensure the validity, perfection, priority and enforceability of the security interests of CSCC in such future acquired Collateral. Grantor hereby authorizes CSCC to modify, amend, or supplement the Schedules hereto and to reexecute this Agreement from time to time on Grantor's behalf and as its attorney-in-fact to include any such future Collateral and to cause such reexecuted Agreement or such modified, amended or supplemented Schedules to be filed with PTO.

SECTION 7 CSCC Appointed Attorney-in-Fact. CSCC shall have the right to, in the name of Grantor, or in the name of CSCC or otherwise, without notice to or assent by Grantor, and Grantor hereby constitutes and appoints CSCC (and any of CSCC's officers or employees or agents designated by CSCC) as Grantor's true and lawful attorney-in-fact, with full power and authority: (i) to execute in the name of Grantor any financing statement or other instrument and any modification,

supplement or amendment to this Agreement (including any described in Section 6), and to sign the name of Grantor on all or any of such documents or instruments and perform all other acts that CSCC deems necessary or advisable in order to perfect or continue perfected, maintain the priority or enforceability of or provide notice of CSCC's security interest in, the Collateral; and (ii) to execute any and all other documents and instruments, and to perform any and all acts and things for and on behalf of Grantor, which CSCC may deem necessary or advisable to maintain, preserve and protect the Collateral and to accomplish the purposes of this Agreement, including (A) to defend, settle, adjust or after the occurrence and during the continuance of any Event of Default institute any action, suit or proceeding with respect to the Collateral, (B) to assert or retain any rights under any license agreement for any of the Collateral, including any rights of Grantor arising under Section 365(n) of the Bankruptcy Code, and, (C) after the occurrence and during the continuance of any Event of Default, to execute any and all applications, documents, papers and instruments for CSCC to use the Collateral, to grant or issue any exclusive or non-exclusive license with respect to any Collateral, and to assign, convey or otherwise transfer title in or dispose of the Collateral; provided, however, that in no event shall CSCC have the unilateral power, prior to the occurrence and during the continuance of an Event of Default, to assign any of the Collateral to any Person, including itself, without Grantor's written consent. The foregoing power of attorney is coupled with an interest and irrevocable so long as the Obligations have not been paid and performed in full. Grantor hereby ratifies, to the extent permitted by law, all that CSCC shall lawfully and in good faith do or cause to be done by virtue of and in compliance with this Section 7.

SECTION 8 CSCC Performance of Grantor Obligations. CSCC may perform or pay any obligation which Grantor has agreed to perform or pay under or in connection with this Agreement, and Grantor shall reimburse CSCC on demand for any amounts paid by CSCC pursuant to this Section 8.

SECTION 9 Secured Party's Duties. Notwithstanding any provision contained in this Agreement, no Secured Party shall have any duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to Grantor or any other Person for any failure to do so or delay in doing so. Except for the accounting for moneys actually received by a Secured Party hereunder, no Secured Party shall have any duty or liability to exercise or preserve any rights, privileges or powers pertaining to the Collateral.

SECTION 10 Remedies. Upon the occurrence and during the continuance of any Event of Default, CSCC shall have, in addition to all other rights and remedies granted to it in this Agreement, the Credit Agreement or any other Loan Document, all rights and remedies of a secured party under the UCC and other applicable laws. Without limiting the generality of the foregoing, Grantor agrees that CSCC shall at all times have such royalty free licenses, to the extent permitted by law, for any Collateral that is reasonably necessary to permit the exercise of any of CSCC's rights or remedies upon the occurrence and during the continuance of an Event of Default. In addition to and without limiting any of the foregoing, upon the occurrence and during the continuance of an Event of Default, CSCC shall have the right but shall in no way be obligated to bring suit, or to take such other action as CSCC deems necessary or advisable, in the name of Grantor or CSCC, to enforce or protect any Collateral, and any license thereunder, in which event Grantor shall, at the request of CSCC, do any and all lawful acts and execute any and all documents required by CSCC in aid of such enforcement.

SECTION 11 Notices. All notices or other communications hereunder shall be in writing (including by facsimile transmission) and mailed, sent or delivered to the respective parties

hereto at or to their respective addresses or facsimile numbers set forth below their names on the signature pages hereof, or at or to such other address or facsimile number as shall be designated by any party in a written notice to the other parties hereto. All such notices and other communications shall be effective (i) if delivered by hand, when delivered; (ii) if sent by mail, upon the earlier of the date of receipt or five business days after deposit in the mail, first class; and (iii) if sent by facsimile transmission, when sent.

SECTION 12 No Waiver; Cumulative Remedies. No failure on the part of Secured Party to exercise, and no delay in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies under this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to Secured Party.

SECTION 13 Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Grantor, Secured Party and their respective successors and permitted assigns. Grantor may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder without the prior express written consent of CSCC. CSCC shall not have the right to assign or transfer its rights and obligations hereunder except in accordance with the terms specified in the Credit Agreement. Any such purported assignment, transfer, hypothecation or other conveyance by Grantor without the prior express written consent of CSCC or by CSCC without compliance with the terms specified in the Credit Agreement shall be void. Grantor acknowledges and agrees that in connection with an assignment of, or grant of a participation in, the Obligations, CSCC may assign, or grant participations in, all or a portion of its rights and obligations hereunder. Subject to Section 7.7(b) of the Credit Agreement, upon any assignment of CSCC's rights hereunder in accordance with the terms of the Credit Agreement, such assignee shall have, to the extent of such assignment, all rights of CSCC hereunder and may in turn assign such rights in accordance with the terms of the Credit Agreement. Grantor agrees that, upon any such assignment, subject to Section 7.7(b) of the Credit Agreement, such assignee may enforce directly, without joinder of CSCC, the rights of CSCC set forth in this Agreement. Any such assignee shall be entitled to enforce CSCC's rights and remedies under this Agreement to the same extent as if it were a "Secured Party" party hereto.

SECTION 14 Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York, except as required by mandatory provisions of law and to the extent the validity or perfection of the security interests hereunder, or the remedies hereunder, in respect of any Collateral are governed by the law of a jurisdiction other than New York.

SECTION 15 Entire Agreement; Amendment. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall not be amended except by the written agreement of the parties.

SECTION 16 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under all applicable laws and regulations. If, however, any provision of this Agreement shall be prohibited by or invalid under any such law or regulation in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the

remaining provisions of this Agreement, or the validity or effectiveness of such provision in any other jurisdiction.

SECTION 17 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

SECTION 18 Termination. Upon payment and performance in full of all Obligations, the security interests created by this Agreement shall terminate and CSCC shall promptly execute and deliver to Grantor such documents and instruments reasonably requested by Grantor as shall be necessary to evidence termination of all such security interests given by Grantor to CSCC hereunder, including cancellation of this Agreement by written notice from CSCC to the PTO.

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

GRANTOR

Fiber Communications, Inc.

By Richard M Brooks
Title: CEO

Address:

3300 Douglas Blvd., Suite 210
Roseville, CA 95661
Attn.: Richard M. Brooks
Fax No.: (916) 780-0715

CSCC

Cisco Systems Capital Corporation

By _____
Title:

Address:

Worldwide Financial Services
170 West Tasman Drive
Mailstop SJC2-3rd Floor
San Jose, CA 95134-1706

Attn: Loan Administration

Fax: (408) 527-3993

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

GRANTOR

Fiber Communications, Inc.


By _____
Title:

Address:

3300 Douglas Blvd., Suite 210
Roseville, CA 95661
Attn.: Richard M. Brooks
Fax No.: (916) 780-0715

CSCC

Cisco Systems Capital Corporation

By  _____
Title: **Michael Hampton**
General Manager, Cisco Systems Capital

Address:

Worldwide Financial Services
170 West Tasman Drive
Mailstop SJC2-3rd Floor
San Jose, CA 95134-1706

Attn: Loan Administration

Fax: (408) 527-3993

SCHEDULE A
to the Patent and Trademark Security Agreement

Fiber Communications, Inc.

Issued U.S. Patents of Grantor

None

Pending U.S. Patent Applications of Grantor

None

A-1.

SCHEDULE B
to the Patent and Trademark Security Agreement

Fiber Communications, Inc.

U.S. Trademarks of Grantor

None

Pending U.S. Trademark Applications of Grantor

<u>Application No.</u>	<u>Filing Date</u>	<u>Applicant</u>	<u>Mark</u>
75/390826	April 26, 1999	Fiber Communications, Inc.	11277
75/690826	April 26, 1999	Fiber Communications, Inc.	NETFONE
75/676402	April 6, 1999	Fiber Communications, Inc.	SONETCOM
75/676406	April 6, 1999	Fiber Communications, Inc.	SONETELECOM

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