



09-15-2000

U.S. Patent & TMOfo/TM Mail Rpt Dt. #40

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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

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
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Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger
- Change of Name
- Other

Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

74626620

- 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)

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- Individual General Partnership Limited Partnership Association
 - Corporation
 - Other
- 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.)

Citizenship/State of Incorporation/Organization

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10/11/2000 MTHA11 00000003 74626624

01 FC:481 40.00 OP
02 FC:482 450.00 OP

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TRADEMARK
REEL: 002178 FRAME: 0739

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 **404-815-3606**

Name

Robert H. G. Lockwood

Address (line 1)

Smith, Gambrell & Russell, LLP

Address (line 2)

Suite 3100, Promenade II

Address (line 3)

1230 Peachtree Street N.E.

Address (line 4)

Atlanta, GA 30309-3592

Pages

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

4

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)

see

attached

schedule

Registration Number(s)

see

attached

schedule I

Number of Properties

Enter the total number of properties involved.

19

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$ **490.00**

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.

Robert H. G. Lockwood

Name of Person Signing

Signature

9/15/00

Date Signed

SCHEDULE I
to
TRADEMARK SECURITY AGREEMENT
TRADEMARK REGISTRATIONS

Registered Service Marks

MARK	SERIAL #	REGISTRATION ISSUED	REGISTRATION #
Academic Edge	74/626,624	09/03/96	1,998,782
Clientele	75/037,336	02/17/98	2,137,742
Family Values	75/037,335	02/03/98	2,134,879
Foundations	75/037,334	02/17/98	2,137,741
Hospitality Suite	75/037,333	02/03/98	2,134,878
Market Values	75/037,332	02/03/98	2,134,877
Mexico Expresso	75/393,342	02/16/99	2,224,055
Smarter.Faster.Better	75/049,732	02/03/98	2,134,895
Unipass	75/224,402	12/09/97	2,119,936

Applications for Service Marks

MARK	INTENT FILED	SERIAL #	STATUS
BTI (Telephone)	05/14/99	75/611,437	Pending
BTI & Design	7/24/00	76/094,081	Pending
BTI (Cable)	12/9/99	75/868,346	Pending
BTI (Cable) & Design	3/2/00 (date mailed)	To be assigned 76/008,170	Pending
BTINet	08/1/99	75/776,545	Pending
DSLynx	2/2/00	75/924,791	Pending
DSLynx & Design	2/2/00	75/925,992	Pending
Fastest Cat on the Net	3/2/00 (date mailed)	To be assigned 76/009,007	Pending
The Worldwide Wait is Over	3/24/00	To be assigned 76/009,388	Pending
US Datacom, Inc.	1/27/98	75/424,220	Pending

CORP\73R053.1

TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, dated as of August 15, 2000, by BUSINESS TELECOM, INC., a North Carolina corporation ("Grantor"), in favor of GENERAL ELECTRIC CAPITAL CORPORATION, a New York corporation, in its capacity as Agent for Lenders.

WITNESSETH:

WHEREAS, pursuant to that certain Second Amended and Restated Loan Agreement, dated as of September 22, 1997, by and among Grantor, Agent and the Persons signatory thereto from time to time as Lenders (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), Lenders have agreed to make the Loans and to incur Letter of Credit Obligations for the benefit of Grantor;

WHEREAS, Agent and Lenders are willing to continue to make the Loans and to incur Letter of Credit Obligations as provided for in the Credit Agreement, but only upon the condition, among others, that Grantor shall have executed and delivered to Agent, for itself and the ratable benefit of Lenders, this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Credit Agreement.

2. GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL. Grantor hereby grants to Agent, on behalf of itself and Lenders, a continuing first priority security interest in all of Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Trademark Collateral"):

(a) all of its Trade marks and Trademark Licenses to which it is a party including those referred to on Schedule I hereto;

(b) all reissues, continuations or extensions of the foregoing;

(c) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark License; and

(d) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (ii) injury to the

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**TRADEMARK
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goodwill associated with any Trademark or any Trademark licensed under any Trademark License.

3. SECURITY AGREEMENT. The security interests granted pursuant to this Trademark Security Agreement are granted in conjunction with the security interests granted to Agent, on behalf of itself and Lenders, pursuant to the Credit Agreement and the documents executed in connection therewith. Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Credit Agreement and the documents executed in connection therewith, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

[signature page follows]

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

BUSINESS TELECOM, INC.

By: Brian K. Brunson
Name: Brian K. Brunson
Title: CEO

ACCEPTED AND ACKNOWLEDGED BY

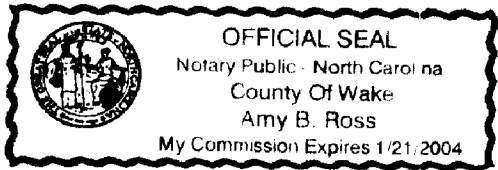
GENERAL ELECTRIC CAPITAL CORPORATION

By: Stephen Hipp
Name: Stephen Hipp
Title: V.P.

ACKNOWLEDGMENT OF GRANTOR

STATE OF North Carolina) ss.
COUNTY OF Wake)

On this 31st day of August, 2000, before me personally appeared Brian K. Brunson, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Business Telecom, Inc., who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.



Amy B. Ross
Notary Public

{seal}

SCHEDULE I
to
TRADEMARK SECURITY AGREEMENT
TRADEMARK REGISTRATIONS

Registered Service Marks

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Hospitality Suite	75/037,333	02/03/98	2,134,878
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Mexico Expresso	75/393,342	02/16/99	2,224,055
Smarter.Faster.Better	75/049,732	02/03/98	2,134,895
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