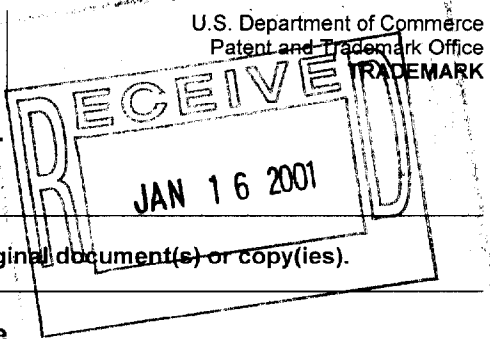


01-25-2001



101593622

RECORDATION SHEET  
TRADEMARKS ONLY



1-16 '01

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 # \_\_\_\_\_

Corrective Document  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_

Conveyance Type

Assignment  License

Security Agreement  Nunc Pro Tunc Assignment

Merger  Change of Name

Other \_\_\_\_\_

Effective Date  
Month: 02 Day: 03 Year: 2000

Conveyance Party

Enter Additional Conveying Party

Mark if additional names of conveyance parties attached

Name: GT Group Telecom Services Corp. Execution Date: Month 02, Day 03, Year 2000

Formerly: \_\_\_\_\_

Individual  General Partnership  Limited Partnership  Corporation  Association

Other: \_\_\_\_\_

Citizenship State of Incorporation/Organization: Canada

76109491

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name: Montreal Trust Company of Canada

DBA/AKA/TA: \_\_\_\_\_

Composed of: \_\_\_\_\_

Address (line 1): 151 Front Street West

Address (line 2): \_\_\_\_\_

Address (line 3): Toronto City, Ontario/ Canada State/Country, M5J 2N1 Zip Code

Individual  General Partnership  Limited Partnership  Corporation  Association

Other: \_\_\_\_\_

Citizenship State of Incorporation/Organization: Canada

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 the Assignment.)

01/24/2001 6TON11 00000113 76109491

01 FC:481 40.00 OP  
02 FC:482 350.00 OP

FOR OFFICE USE ONLY

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: 002219 FRAME: 0131

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

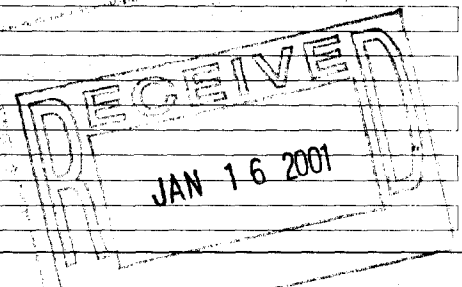
Name

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)		
<input type="text" value="76-109491"/>	<input type="text" value="76-108290"/>	<input type="text" value="76-109492"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="76-002643"/>	<input type="text" value="76-110103"/>	<input type="text" value="76-111167"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="76-050961"/>	<input type="text" value="76-108164"/>	<input type="text" value="76-111168"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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.

Ginabeth B. Hutchison *Ginabeth B. Hutchison* 1/12/01  
Name of Person Signing Signature Date Signed

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month      Day      Year

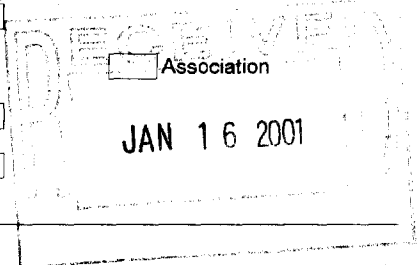
Name

Formerly

Individual       General Partnership       Limited Partnership       Corporation       Association

Other

Citizenship State of Incorporation/Organization



**Receiving Party**

Enter Additional 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 The Assignment.)

Corporation       Association

Other

Citizenship State of Incorporation/Organization

**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)		
<input type="text" value="76-111166"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="76-111169"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="76-109495"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="76-109638"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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EXPRESS MAIL NO.: EL699901239US

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# GENERAL SECURITY AGREEMENT

**THIS AGREEMENT** is made as of the 3rd day of February, 2000, between **GT GROUP TELECOM SERVICES CORP.** (the "Debtor") in favour of **MONTREAL TRUST COMPANY OF CANADA** (the "Collateral Agent").

For valuable consideration (the receipt and sufficiency of which are acknowledged), the Debtor agrees as follows:

## **1. INTERPRETATION**

### **1.01 Definitions**

Each word and phrase used in this Security Agreement and which is defined in Schedule A has the meaning ascribed thereto in Schedule A. Words and phrases defined in the PPSA and used without initial capitals in this Security Agreement (including in Schedule A) have the meanings assigned to them in the PPSA, unless otherwise specified herein or unless the context otherwise requires.

### **1.02 Statutes**

A reference in this Security Agreement to a statute refers to that statute as it may be amended, and to any restated or successor legislation of comparable effect.

### **1.03 Headings**

The division of this Security Agreement into Articles, Sections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Security Agreement. The Article and Section headings in this Security Agreement are not intended to be full or accurate descriptions of the text to which they refer and shall not be considered part of this Security Agreement.

### **1.04 Number and Gender**

In this Security Agreement, where the context so requires, words in the singular include the plural and vice-versa, and words in one gender include all genders.

## **2. GRANT OF SECURITY INTEREST**

### **2.01 Security Interest**

As general and continuing security for the due payment and performance of all Obligations, the Debtor grants to the Collateral Agent, as collateral agent for and on behalf of and

for the benefit of the Secured Parties, a security interest in the Collateral by way of charge, mortgage, hypothecation, pledge and assignment on and of the Collateral, which security interest shall include a purchase-money security interest to the extent that it satisfies the criteria for such an interest in any of the Collateral pursuant to the PPSA. The Security Interests are intended to constitute a fixed charge upon the Collateral subject only to a license to sell, consign, lease or otherwise dispose of or deal with items of Collateral in any manner which is not contrary to any provision hereof or either of the Credit Agreements or of any other Credit Document or any other Agreement from time to time in effect between the Debtor and the Collateral Agent.

## **2.02 Attachment**

The Debtor acknowledges that value has been given. The parties have not agreed to postpone the time for attachment and the Security Interests are intended to attach, as to all of the Collateral in which the Debtor has rights, forthwith when the Debtor executes this Security Agreement and, as to all Collateral in which the Debtor acquires an interest after the execution of this Security Agreement, when the Debtor acquires such interest. For greater certainty the Debtor also agrees that the Security Interests are intended to attach to all Collateral in which the Debtor (including, for greater certainty, any successor of the Debtor by merger, amalgamation or arrangement) acquires a right as a result of any merger, amalgamation or arrangement involving the Debtor.

## **2.03 Leases**

The last day of the term of any Lease under which the Debtor is lessee or tenant, oral or written, or any Agreement therefor, now held or hereafter acquired by the Debtor shall be excepted from the Security Interests and shall not form part of the Collateral, but the Debtor shall stand possessed of that day upon trust to assign and dispose of the same in the event of and following an Event of Default, as the Collateral Agent may direct.

If any such Lease or Agreement therefor contains a provision which provides in effect that the granting of the Security Interests in such Lease or Agreement, as provided for herein, would constitute a default (were it not for the provisions of this sentence) without obtaining the consent of the lessor, the application of the Security Interests to any such Lease or Agreement shall be conditional upon such consent being obtained, but the Debtor shall nevertheless hold its interests therein in trust to sublease, assign or dispose of the same in the event of and following an Event of Default as the Collateral Agent may direct. If so requested by the Collateral Agent or a Representative, the Debtor shall use reasonable commercial efforts, at the Debtor's own cost and expense, to obtain such consent.

## **2.04 Licences and Material Contracts**

If the Debtor cannot lawfully grant the Security Interests in any Licence, or in any Material Contract listed in Schedule E (as such Schedule may be updated from time to time or at any time hereunder), because:

- (a) that Licence or Material Contract prohibits or restricts the granting of such an interest,
- (b) that Licence or Material Contract requires that a third party consent before the Security Interests may be granted and that consent has not been obtained, or
- (c) granting the Security Interest would contravene any applicable law or any decree, order, regulation or other rule of any authority having jurisdiction,

that Licence or Material Contract shall not be subject to the Security Interests unless and until all necessary third party consents, waivers and approvals, regulatory or otherwise, as are applicable, have been obtained (provided that the Security Interests shall nevertheless continue to attach to any rights of the Debtor arising under or pursuant to any such Licence or Material Contract to the extent not otherwise prohibited or restricted or requiring consent, such as rights to receive payments thereunder, and to all Proceeds thereof). To the extent permitted by applicable law and in a manner approved in writing by the Collateral Agent or a Representative or the Required Secured Parties, as the case may be pursuant to the Collateral Agency and Intercreditor Agreement, the Debtor will provide the Collateral Agent with the benefits of any such Licence or Material Contract and will enforce all rights of the Debtor under that Licence or Material Contract for the benefit of the Collateral Agent and/or such other Person (which may include a Receiver or purchaser of all or any of the Collateral from the Collateral Agent or any Receiver) as the Collateral Agent may designate.

If so requested by the Collateral Agent or a Representative, the Debtor shall use reasonable commercial efforts, at the Debtor's own cost and expense, to obtain any consent required for the granting of the Security Interests in, and/or for any dealing with, any Licences or Material Contracts or the rights granted thereby, provided that the Debtor shall not be required to obtain the approval or consent of any government, governmental or regulatory body, agency, instrumentality or authority unless and until an Event of Default and acceleration of any of the Loans has occurred under either of the Credit Agreements.

### **3. REPRESENTATIONS AND WARRANTIES**

The Debtor represents and warrants to and in favour of the Collateral Agent, for the benefit of the Collateral Agent and the Secured Parties, as follows:

#### **3.01 Title**

Subject only to Liens in favour of the Collateral Agent and any Permitted Lien, and subject to the terms of the Leases and Licenses, the Debtor has and will have good and marketable title to the Collateral free and clear of all Liens of any kind or character whatsoever.

### **3.02 Locations of Collateral**

The Debtor's chief executive office, principal places of business, the location where it maintains its shareholder and share transfer registers and the jurisdictions where it keeps Collateral as at the date hereof (except any Collateral that is in transit to and from such premises or jurisdictions), are listed in Schedule B.

### **3.03 Interests in Real Property**

Schedule C contains a complete list of the addresses and legal descriptions of all real property owned by or on behalf of the Debtor as at the date hereof, or in which the Debtor has a registered leasehold interest as at the date hereof which is material to the Debtor or its business, or in which the Debtor has the right or an Agreement to purchase. Schedule C also contains a complete list, by address or legal description, of all other real property in which the Debtor has any leasehold or other interest as at the date hereof arising under a Lease or other Agreement having a term of more than three years (including in the calculation of such term any right or option of the Debtor to renew the original or current term thereof), or to which any Collateral which is material to the Debtor, either in value or utility to the Debtor's business, is or is intended to become attached or affixed as a fixture (as defined or construed for purposes of applicable personal or real property security law in the jurisdiction in which the same is or is intended to be located).

### **3.04 Representations and Warranties Regarding Intellectual Property**

With respect to Intellectual Property:

- (a) Schedule D contains a complete list of all registered Trade Marks and other registered Intellectual Property rights of the Debtor (such as patents, industrial designs and copyrights) as at the date hereof (including registration particulars);
- (b) no material claim has been made that the use or intended use of any Intellectual Property by the Debtor does or may violate or infringe the rights of any Person in any material respect; and to the best of the Debtor's knowledge, information and belief, the use or intended use of any Intellectual Property by the Debtor does not and will not violate or infringe the rights of any Person in any material respect; and
- (c) the Debtor has used proper notice indicating ownership of and the right to use the Intellectual Property to the extent reasonably necessary to protect and preserve its rights in the Intellectual Property.

### **3.05 Material Contracts**

Schedule E contains a complete list of all Material Contracts as at the date hereof.

### **3.06 Serial Numbered Goods**

Schedule F contains a full and accurate description of all serial numbered goods (as such term is understood under applicable personal property security legislation in the jurisdiction where the same is or is intended to be located) of the Debtor as at the date hereof.

### **3.07 Reliance and Survival**

All representations and warranties of the Debtor made herein or in any certificate or other document delivered by or on behalf of the Debtor for the benefit of the Collateral Agent or any other of the Secured Parties are material, shall survive the execution and delivery of this Security Agreement and shall continue in full force and effect until all of the Obligations are paid and performed in full and all Commitments have expired or terminated. The Collateral Agents and the other Secured Parties shall be deemed to have relied upon each such representation and warranty notwithstanding any investigation made by or on behalf of the Collateral Agent or any of the other Secured Parties at any time.

### **3.08 No Consumer Goods**

None of the Collateral constitutes or will constitute consumer goods.

## **4. COVENANTS OF DEBTOR**

### **4.01 Liens**

Except for Liens in favour of the Collateral Agent and Permitted Liens, the Debtor shall keep the Collateral free at all times from Liens and shall defend the title to the Collateral against all other Persons. Neither the foregoing nor Section 3.01 shall in any way prevent the Collateral Agent from, at any time, contesting the validity, enforceability or priority of any Lien. No purchase-money security interest shall be entitled to priority over the Security Interests except to the extent that it is entitled to such priority as a purchase-money security interest under the PPSA or other applicable legislation.

Nothing in this Security Agreement shall constitute or be deemed to constitute a subordination of, or an agreement by the Collateral Agent or any of the Secured Parties to subordinate, the Security Interests to the Lien of any other Person notwithstanding that such other Person's Lien may be a Permitted Lien or may be permitted to rank in priority to or pari passu with the Security Interests. Subordination of any of the Security Interests shall be effective only if made pursuant to a valid and binding priority or subordination agreement between the Collateral Agent and the holder of such other Lien.

### **4.02 Insurance**

Loss under insurance maintained by the Debtor shall be payable to the Collateral Agent, and such insurance shall contain a mortgage clause or comparable provision acceptable to



the Collateral Agent. In addition the Collateral Agent acknowledges that (i) loss under property insurance covering leased premises may also be payable to the relevant landlord, and (ii) the Collateral Agent may be required by the Debtor to subordinate its rights in any such insurance with respect to any Collateral in favour of the rights of any Person having a Lien in such Collateral entitled under each of the Credit Agreements to rank prior to the Security Interests with respect to such Collateral. The Debtor shall, on request from time to time, provide the Collateral Agent with evidence of such insurance, including copies of all policies and current certificates of insurance. If the Debtor fails to obtain and maintain such insurance or to provide evidence thereof within 30 days of any request therefor by the Collateral Agent, the Collateral Agent, a Representative or any Receiver may obtain any such insurance (but shall not be obligated to do so or liable for any failure to do so or for any deficiency in any insurance obtained by it), and the Debtor shall forthwith upon demand reimburse the Collateral Agent, the Representatives or any Receiver on demand for all related costs or expenses so incurred. Notwithstanding the foregoing, unless and until an Event of Default has occurred which has not been waived under and in accordance with the applicable Credit Agreement, the Collateral Agent shall, subject to the Credit Agreements and the Collateral Agency and Intercreditor Agreement, make all insurance moneys received by it under any such insurance maintained by the Debtor available to the Debtor for repair or replacement of Collateral.

#### **4.03 Notice of Certain Changes; Amendments to Scheduled Disclosures**

The Debtor will notify the Collateral Agent in writing:

- (a) at least 20 Business Days prior to any change of name of the Debtor (including any adoption of or change in any French version of the Debtor's name), the delivery of a material amount of Collateral to a jurisdiction in which the Collateral Agent does not maintain validly registered security, and any change in the address or jurisdiction of the Debtor's chief executive office or principal places of business listed in Schedule B or from time to time notified by the Debtor in connection herewith; and
- (b) prior to or within 30 days after any change in the information set forth in Schedule C necessary to make the representations and warranties herein relating to real property owned by or on behalf of the Debtor true and correct as of the effective date of such change as if such representations and warranties were made as at and of such date.

The Debtor will deliver to the Collateral Agent updated versions of such of Schedules B, C, D, E and F as may from time to time be requested by the Collateral Agent, each showing additions and deletions to the information required to be disclosed therein since the prior versions thereof. Each such version shall be deemed to be part of this Security Agreement as of its preparation date and to be subject to the corresponding representations and warranties herein which shall be read with respect to any such updated Schedule as if made as at and of the preparation date thereof.

#### **4.04 Preserving the Debtor's Rights in Intellectual Property**

The Debtor will diligently do everything reasonably necessary or desirable to preserve, maintain and protect the Intellectual Property, including the following:

- (a) apply to register all existing and future copyrights, trade marks and other registerable interests in Intellectual Property of the Debtor wherever it is commercially reasonable to do so;
- (b) renew all copyright and Trade Mark and other Intellectual Property registrations, as applicable;
- (c) file all assignments of copyright, Trade Marks and other registered Intellectual Property necessary or desirable to maintain the Debtor's rights therein; and
- (d) pay all fees necessary to maintain the Intellectual Property,

in each case to the extent that the failure to do so would result in a Material Adverse Effect.

#### **4.05 Costs**

The Debtor shall reimburse the Collateral Agent on demand for all interest, commissions, costs of realization and other reasonable costs and expenses (including reasonable legal fees and expenses on a full indemnity basis) incurred by the Collateral Agent or any Receiver in connection with the perfection, protection, enforcement of and advice with respect to this Security Agreement, including those arising in connection with the realization, disposition of, retention, protection or collection of any Collateral and the protection or enforcement of the rights, remedies and powers of the Collateral Agent or any Receiver or the compliance by the Collateral Agent with any obligations imposed upon the Collateral Agent with respect to this Security Agreement by any law, statute or regulation, including the PPSA.

#### **4.06 Reimbursements as Obligations**

All amounts for which the Debtor is required hereunder to reimburse the Collateral Agent, any of the other Secured Parties or any Receiver shall, from the date of disbursement until the date such Person receives reimbursement, be deemed to be advanced to the Debtor by the Collateral Agent or the Lenders, shall be deemed to be Obligations and shall bear interest at the highest rate per annum charged by any of the Lenders on any of the other Obligations.

#### **4.07 Intellectual Property Indemnity**

The Debtor will defend the Collateral Agent and any Receiver against any claim that any Intellectual Property infringes any rights of a third party, including patent, copyright, trade mark, trade secret, or semi-conductor chip rights or other intellectual property or contractual rights, and will indemnify the Collateral Agent and any Receiver against, and save

them fully harmless, of and from all loss, cost, damage, expense, claims and liability which any of them may suffer or incur in connection with any such claim or infringement.

#### **4.08 General Indemnity**

The Debtor will indemnify the Collateral Agent and any Receiver against, and save them fully harmless, of and from all loss, cost, damage, expense, claims and liability which any of them may suffer or incur in connection with (i) the lawful exercise by the Collateral Agent or any Receiver of its remedies and powers hereunder, (ii) any breach of the representations or warranties contained herein, or (iii) any failure by the Debtor to perform any of its covenants or obligations under this Security Agreement.

#### **4.09 Perfection of Security Interests**

The Debtor shall, upon request of the Collateral Agent, forthwith at its own expense record, file, deposit or register, or cause to be recorded, filed, deposited or registered, all financing statements, other notices, applications, registrations or documents in all appropriate offices in such jurisdictions as may be required in order to protect, preserve and perfect the Security Interests and the Collateral Agent's rights and interests in and to the Collateral in any jurisdiction where the Debtor or any Collateral is located, or as may otherwise be reasonably required by the Collateral Agent from time to time; and the Debtor shall, at its own expense, renew or amend, or cause to be renewed or amended, from time to time all such recordings, deposits, filings or registrations as and when required to maintain the same in full force and effect and to maintain the perfection and enforceability of the Security Interests against all Collateral. The Debtor shall upon completion of any recording, deposit, filing or registration required of it pursuant to this Section, and otherwise from time to time if and when (but in any event not more frequently than annually) requested to do so by the Collateral Agent in connection with any recording, deposit, filing or registration, furnish the Collateral Agent with an opinion of counsel to the Debtor acceptable to the Collateral Agent, acting reasonably, confirming that the provisions of this Section have been complied with.

#### **4.10 Further Assurances**

Without limiting any other provision hereof, the Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments, agreements and assurances as the Collateral Agent or a Representative or the Required Secured Parties, as the case may be pursuant to the Collateral Agency and Intercreditor Agreement, may reasonably require in order to give effect to the provisions of this Security Agreement. The Debtor irrevocably appoints any officer of the Collateral Agent to be its attorney with full power of substitution to do on the Debtor's behalf anything that the Debtor can lawfully do by an attorney to make and execute all such Agreements, acts, matters or things, with the right to use the name of the Debtor, whenever and wherever it deems necessary or expedient and to carry out the Debtor's obligations under this Security Agreement including its obligations to preserve and protect the Intellectual Property; provided, however, that such power of attorney will not be exercised until the Security Interests have become enforceable except to such extent as may be necessary prior to that time, in the

reasonable opinion of the Collateral Agent, to permit the Collateral Agent to perfect or maintain the perfection of the Security Interests in any part of the Collateral.

## **5. DEFAULT**

### **5.01 Default**

Whenever any Event of Default occurs and is continuing, the Security Interests shall become immediately enforceable without the necessity for any further action or notice by the Collateral Agent, any Representative or any of the other Secured Parties. Neither the Collateral Agent nor any of the other Secured Parties will be obliged to exhaust their recourse against Debtor or any other Person or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such a manner as the Collateral Agent or Secured Parties may consider desirable. The powers conferred on the Collateral Agent under this Agreement are solely to protect the interests of the Collateral Agent and the Secured Parties and will not impose any duty upon the Collateral Agent or Secured Parties to exercise any such powers.

### **5.02 Waiver**

Pursuant and subject to section 8.03 of the Collateral Agency and Intercreditor Agreement, the Required Committed Secured Parties (or, at any time when a Notice of Enforcement is in effect, the Required Secured Parties) may waive any breach, Default or Event of Default. No waiver, however, shall be deemed to extend to a subsequent breach, Default or Event of Default, whether or not the same as or similar to the breach, Default or Event of Default waived, and no act or omission by the Collateral Agent or any Secured Parties shall extend to, or be taken in any manner whatsoever to affect, any subsequent breach, Default or Event of Default or the rights of the Collateral Agent or the other Secured Parties, or any of them, arising therefrom. Any such waiver, to be effective, must be in writing and signed by the Collateral Agent and otherwise comply with the applicable requirements of section 8.03 of the Collateral Agency and Intercreditor Agreement. No failure on the part of the Collateral Agent to exercise, and no delay by the Collateral Agent in exercising, any right under this Security Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

## **6. REMEDIES ON DEFAULT**

If the Security Interests become enforceable, the Collateral Agent shall have the following rights, remedies and powers:

### **6.01 Receiver**

The Collateral Agent may appoint by instrument in writing one or more Receivers of any Collateral. Any such Receiver shall have the rights and powers set out in Sections 6.02

through 6.06, and in Section 6.18. To the extent permitted by applicable law, in exercising such rights and powers, any Receiver shall act as and for all purposes shall be deemed to be the agent of the Debtor and the Collateral Agent shall not be responsible for any act or default of any Receiver. The Collateral Agent may remove any Receiver and appoint another from time to time. An officer or employee of the Collateral Agent may be appointed as a Receiver. No Receiver appointed by the Collateral Agent need be appointed by, nor need its appointment be ratified by, or its actions in any way supervised by, a court.

#### **6.02 Power of Entry**

The Debtor shall forthwith upon demand deliver to a Receiver possession of any Collateral at the place specified by the Receiver. Any Receiver may at any time enter upon any premises where any Collateral is located to take possession of, disable or remove any Collateral, and may use whatever means the Receiver considers advisable to do so.

#### **6.03 Power of Sale**

Any Receiver may sell, consign, lease or otherwise dispose of any Collateral by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are hereby waived by the Debtor to the extent permitted by applicable law. Any Receiver may, at its discretion establish the terms of such disposition, including terms and conditions as to credit, upset, reserve bid or price. All payments made pursuant to such dispositions shall be credited against the Obligations only as they are actually received. Any Receiver may buy in, rescind or vary any contract for the disposition of any Collateral and may dispose of any Collateral again. Any such disposition may take place whether or not the Receiver has taken possession of the Collateral.

#### **6.04 Carrying on Business**

Subject only to any applicable approval or consent of any government, governmental or regulatory body, agency, instrumentality or authority required by applicable law, any Receiver may carry on, or concur in the carrying on of, any of the business or undertaking of the Debtor and may, to the exclusion of all others who may have acquired occupancy or usage rights through the Debtor, including the Debtor, enter upon, occupy and use any of the premises, buildings, plant and undertaking of or occupied or used by the Debtor and may use any of the tools, machinery, equipment and intangibles of the Debtor, and may use any other Collateral, for such time and such purposes as the Receiver sees fit. No Receiver shall be liable to the Debtor for any rent, charges, costs, depreciation or damages in connection with any such action except to the extent of damages due to gross negligence or willful misconduct of such Receiver.

#### **6.05 Pay Liens**

Any Receiver may pay any liability secured by any actual or threatened Lien against any Collateral. Any Receiver may borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Debtor and may grant Liens in any Collateral in priority to the Security Interests as security for the

money so borrowed. The Debtor will forthwith upon demand reimburse the Receiver for all such payments and borrowings (including, for greater certainty and notwithstanding Section 4.06, all interest actually incurred or payable in respect of such borrowings).

#### **6.06 Dealing with Collateral**

Subject only to any applicable approval or consent of any government, governmental or regulatory body, agency, instrumentality or authority required by applicable law, any Receiver may seize, collect, realize, dispose of, enforce, release or transfer to or from third parties or otherwise deal with any Collateral in such manner, upon such terms and conditions and at such time as it deems advisable without notice, demand or other formality to the Debtor (except as otherwise required by any applicable law), and may charge on its own behalf and pay to others its costs or expenses (including legal fees and expenses on a full indemnity basis and Receivers' and accounting fees) incurred in connection with such actions. The Debtor will forthwith upon demand reimburse the Receiver for all such costs or expenses.

#### **6.07 Right to Have Court Appoint a Receiver**

The Collateral Agent may, at any time, apply to a court of competent jurisdiction for the appointment of a Receiver, or other official, who may have powers the same as, greater or lesser than, or otherwise different from, those capable of being granted to a Receiver appointed by the Collateral Agent pursuant to this Security Agreement.

#### **6.08 Collateral Agent May Exercise Rights of a Receiver**

In lieu of, or in addition to, exercising its rights, remedies and powers under Sections 6.01, 6.07 and 6.09, the Collateral Agent has, and may exercise, any of the rights and powers which are capable of being granted to a Receiver appointed by the Collateral Agent pursuant to this Security Agreement.

#### **6.09 Retention of Collateral**

Subject to applicable law and to the prior written approval of all Secured Parties, the Collateral Agent may elect to retain the Collateral in satisfaction of the Obligations.

#### **6.10 Limitation of Liability**

Neither the Collateral Agent nor any Receiver shall be liable or accountable for any failure to seize, collect, realize, dispose of, enforce or otherwise deal with any Collateral and shall not be bound to institute proceedings for any such purposes or for the purpose of preserving any rights, remedies and powers of the Collateral Agent, the Debtor or any other Person in respect of any Collateral. Neither the Collateral Agent nor any Receiver shall be liable or responsible for any loss or damage whatever which may accrue in consequence of any such failure or otherwise with respect to the Collateral (including Collateral in the possession of the Collateral Agent or any Receiver) except to the extent that any such loss or damage is a result of the gross negligence or willful misconduct of the Collateral Agent or such Receiver, as

applicable. If any Receiver or the Collateral Agent takes possession of any Collateral, neither the Collateral Agent nor any Receiver shall have any liability as a mortgagee in possession or be accountable for anything except actual receipts.

#### **6.11 Extensions of Time**

The Collateral Agent may grant renewals, extensions of time and other indulgences, take and give up security interests, accept compositions, grant releases and discharges, perfect or fail to perfect any security interests, release any Collateral to third parties and otherwise deal or fail to deal with the Debtor, debtors of the Debtor, guarantors, sureties and others and with any Collateral and other securities as the Collateral Agent may see fit, all without prejudice to the liability of the Debtor to the Collateral Agent or the Collateral Agent's rights, remedies and powers under this Security Agreement.

#### **6.12 Application of Payments against Obligations**

Any payments received in respect of the Obligations from time to time after an Event of Default that is continuing, any insurance monies received after an Event of Default that is continuing and any monies realized on any Collateral may, notwithstanding any appropriation by the Debtor, be appropriated to such parts of the Obligations and in such order as the Lenders or Collateral Agent see fit, and such Persons shall have the right to change any appropriation at any time. After an Event of Default that is continuing, any such insurance moneys may, at the option of the Collateral Agent, be used to repair or replace any Collateral, be held as part of the Collateral or be appropriated to the Obligations.

#### **6.13 Set-Off, Combination of Accounts and Crossclaims**

The Obligations will be paid by the Debtor without regard to any equities between the Debtor, the Collateral Agent or any of the Secured Parties, and without regard to any right of set-off, combination of accounts or cross-claim.

#### **6.14 Deficiency**

If the proceeds of the realization of any Collateral are insufficient to pay all monetary Obligations, the Debtor shall remain liable for such deficiency and shall forthwith pay or cause to be paid to the Collateral Agent any deficiency.

#### **6.15 Validity of Sale**

No Person dealing with the Collateral Agent or any Receiver, or with any officer, employee, agent or solicitor of the Collateral Agent or any Receiver, shall be concerned to inquire whether the Security Interests have become enforceable, whether any right, remedy or power of the Collateral Agent or the Receiver has become exercisable, whether any Obligations remain outstanding or otherwise as to the propriety or regularity of any dealing by the Collateral Agent or the Receiver with any Collateral or to see to the application of any money paid to the Collateral Agent or the Receiver, and in the absence of fraud on the part of such Person such

dealings shall be deemed, as regards such Person, to be within the rights, remedies and powers hereby conferred and to be valid and effective accordingly.

#### **6.16 Effect of Appointment of Receiver**

As soon as the Collateral Agent takes possession of any Collateral or appoints a Receiver, all powers, functions, rights and privileges of the directors and officers of the Debtor with respect to the Collateral shall cease, unless specifically continued by the written consent of the Collateral Agent or the Receiver.

#### **6.17 Time for Payment**

If the Collateral Agent demands payment of any Obligations which are payable on demand or if any Obligations are otherwise due by maturity or acceleration, it shall be deemed reasonable for the Collateral Agent to exercise its remedies immediately if such payment is not made, and any days of grace or any time for payment which might otherwise be required to be afforded to the Debtor by applicable law are hereby irrevocably waived, provided that such waiver (including the waiver of any notice or demand required by the PPSA or by the *Bankruptcy and Insolvency Act* (Canada)) shall be effective only if and to the maximum extent that the waiver thereof is permitted by applicable law.

#### **6.18 Agent May Perform**

If the Debtor fails to perform any of its obligations in this Security Agreement, without limiting any other provision hereof the Collateral Agent or any Receiver may perform that obligation as attorney for the Debtor in accordance with Section 4.10 hereof, but will not be obligated to do so or be liable for any failure to do so. Despite anything else in this Security Agreement, and for greater certainty, the Debtor shall remain liable under all Agreements (including Material Contracts) to which the Debtor is a party or by which it or any Collateral is bound, and under all Licenses, and shall perform all of its duties and obligations thereunder, and shall not be released from any of its duties or obligations under such Agreements or Licenses by the exercise of any rights by the Collateral Agent or any Receiver. Neither the Collateral Agent nor any Receiver shall have any obligation or liability under any such Agreement or License, by reason of this Security Agreement, nor shall the Collateral Agent or any Receiver be obliged to perform any of the obligations or duties of the Debtor thereunder or to take any action to collect or enforce any obligation or right thereunder or to enforce any claim for payment assigned hereunder. The rights and powers conferred on the Collateral Agent hereunder are for the purpose of protecting its interest in the Collateral and shall not impose any duty upon it to exercise any such powers.

#### **6.19 Rights in Addition**

The rights, remedies and powers conferred by this Article 6 are in addition to, and not in substitution for, any other rights, remedies or powers the Collateral Agent, the Representatives or any of the other Secured Parties may have under this Security Agreement or any other Credit Document, or at law, in equity or by or under the PPSA or any other statute.



The Collateral Agent may proceed by way of any action, suit or other proceeding at law or in equity and no right, remedy or power of the Collateral Agent shall be exclusive of or dependent on any other. The Collateral Agent may exercise any of its rights, remedies or powers separately or in combination and at any time.

**7. GENERAL**

**7.01 Security in Addition**

The Security Interests do not replace or otherwise affect any existing or future Lien held by or on behalf of the Collateral Agent or any of the other Secured Parties. Neither the taking of any action, suit or proceedings, judicial or extra-judicial, nor the refraining from so doing, nor any dealing with any other security for any Obligations shall release or affect the Security Interests. Neither the taking of any action, suit or proceedings, judicial or extra-judicial, pursuant to this Security Agreement, nor the refraining from so doing, nor any dealing with any Collateral shall release or affect any other security interest or collateral held by or on behalf of any Person for the payment or performance of any Obligation.

**7.02 No Merger**

Neither the taking of any judgment nor the exercise of any power of seizure or disposition shall extinguish the liability of the Debtor to pay and perform the Obligations nor shall the acceptance of any payment or alternate security constitute or create any novation. No covenant, representation or warranty of the Debtor herein shall merge in any judgment.

**7.03 Notices**

Any notice, demand or other communication (in this Section, a "notice") from the Debtor to the Collateral Agent shall be in writing and shall be delivered to it in accordance with, and to its address from time to time in effect for the purposes of, section 8.02 of the Collateral Agency and Intercreditor Agreement.

**7.04 Time of the Essence**

Time is of the essence with respect to each provision of this Security Agreement.

**7.05 Governing Law**

This Security Agreement shall be governed by, and interpreted and enforced in accordance with, the laws in force in the Province of Ontario. The Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of Ontario with respect to any matter arising hereunder or related hereto.

**7.06 Security Interests Effective Immediately**

Neither the execution of, nor any filing with respect to, this Security Agreement shall bind the Collateral Agent or any Lender to grant any credit or supply any goods or services to the Debtor, but the Security Interests shall take effect forthwith upon the execution of this Security Agreement by the Debtor.

**7.07 Invalidity**

If any provision of this Security Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction from which no further appeal lies or is taken, that provision shall be deemed to be severed herefrom, and the remaining provisions of this Security Agreement shall not be affected thereby and shall remain valid and enforceable.

**7.08 Statutory Waivers**

To the fullest extent permitted by applicable law, and except as otherwise provided herein, the Debtor waives all of the rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the powers, rights or remedies of a secured party or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute. In particular, the Debtor agrees that *The Limitation of Civil Rights Act* of the Province of Saskatchewan shall not apply to this Security Agreement or any of the rights, remedies or powers of the Collateral Agent or any Receiver hereunder.

**7.09 Amendment**

This Security Agreement may only be amended or supplemented by a written agreement signed by the Debtor and the Collateral Agent, and subject to any consent required under Section 8.03 of the Collateral Agency and Intercreditor Agreement.

**7.10 Binding Effect**

This Security Agreement shall enure to the benefit of the Collateral Agent and its successors and assigns, as agent as provided below, and shall bind the Debtor and its successors (including any successor by merger, amalgamation or arrangement) and permitted assigns.

**7.11 Collateral Agent as Agent**

The Debtor acknowledges that the Collateral Agent named above is acting as collateral agent on behalf of the Secured Parties pursuant to and in accordance with the terms and conditions of the Credit Agreements and the Collateral Agency and Intercreditor Agreement, and has been appointed to hold the Security Interests pursuant hereto for the benefit of the Secured Parties and as security for the Obligations. The Debtor further acknowledges that the Collateral Agent may at any time or from time to time be replaced, and that any replacement or substituted Collateral Agent appointed pursuant to the Collateral Agency and Intercreditor Agreement shall

be vested with and be entitled to exercise all rights, remedies, benefits and interests of the Collateral Agent as if it had been originally named as such herein. Any exculpatory provision of this Security Agreement, or any provision of this Security Agreement providing for the release or indemnification of the Collateral Agent or any Receiver by the Debtor, shall apply equally for the benefit of any Related Party of such Person, and to any Receiver, the Representatives and the other Secured Parties and for the benefit of any Related Party of any such Person, on whose behalf and for such purpose the Collateral Agent hereby contracts.

**7.12            Receipt of Copy**

The Debtor acknowledges receipt of an executed copy of this Security Agreement and waives all rights to receive copies of any financing statements, financing change statements, verification statements or other filings filed at any time in connection herewith.

**7.13            Discharge**

The Debtor shall be entitled to a release and discharge of this Security Agreement upon written request of the Debtor and subject to the prior inalienable payment and satisfaction in full of all Obligations, including repayment in full of all Loans under the Credit Agreements and including contingent Obligations, and provided that all Commitments have expired or been terminated.

## 7.14 Information

At any time the Collateral Agent may provide to any person entitled under Section 18 of the PPSA (or under any similar provision of any other applicable law) copies of this Security Agreement or information about it or about the Obligations.

**TO WITNESS** this Security Agreement, the Debtor has caused it to be duly signed and sealed.

**GT GROUP TELECOM SERVICES CORP.**

by: \_\_\_\_\_

Name:

Title:

**MONTREAL TRUST COMPANY OF  
CANADA**

by: \_\_\_\_\_

Name:

Title: SENIOR CORPORATE TRUST OFFICER

by: \_\_\_\_\_

Name:

Title: **EMILIA CASADO**  
CORPORATE TRUST OFFICER

## SCHEDULE A

### Definitions

**"Accounts"** means all accounts, and any item or part thereof, which are now owned by or are due, owing or accruing due to the Debtor or which may hereafter be owned by or become due, owing or accruing due to the Debtor or in which the Debtor now or hereafter has rights or any other interest, including all debts, claims and demands of any kind whatever, claims against the Crown and claims under insurance policies.

**"Agreement"** means any agreement, oral or written, and any indenture, instrument or undertaking.

**"Business Day"** has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

**"Chattel Paper"** means all chattel paper in which the Debtor now or hereafter has rights or an interest, and any item or part thereof.

**"Collateral"** means all present and after-acquired undertaking, property and assets of the Debtor of any kind whatsoever, both real and personal, including all Accounts, Chattel Paper, Documents of Title, Equipment, Instruments, Intangibles, Inventory, Money, Securities, Records, Replacements and Proceeds, wherever located, and any item or part thereof.

**"Collateral Agent"** means the Collateral Agent named as such on page one of this Security Agreement, and such Person's successors and assigns as Collateral Agent pursuant to the Collateral Agency and Intercreditor Agreement, including any replacement or substituted Collateral Agent contemplated by Section 7.11 and by the Collateral Agency and Intercreditor Agreement.

**"Collateral Agency and Intercreditor Agreement"** means the Collateral Agency and Intercreditor Agreement dated as of February 3, 2000 among GT Group Telecom Services Corp., GT Group Telecom Inc., Montreal Trust Company of Canada, Canadian Imperial Bank of Commerce and Lucent Technologies Inc., and the Secured Parties from time to time entitled to the benefit thereof in such capacity; and includes that Agreement as it may from time to time hereafter be amended, supplemented, restated, supplemented or replaced.

**"Commitments"** has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

"**Credit Agreements**" has the meaning attributed thereto in the Collateral Agreement and Intercreditor Agreement.

"**Credit Documents**" has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

"**Default**" has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

"**Documents of Title**" means all documents of title, whether negotiable or non-negotiable, including all warehouse receipts and bills of lading, in which the Debtor now or hereafter has rights or an interest, and any item or part thereof.

"**Equipment**" means all goods in which the Debtor now or hereafter has rights or an interest other than Inventory and any item or part thereof, including all tools, apparatus, plant, furniture, fixtures, equipment, machinery, vehicles and supplies, and all accessions, improvements and appurtenances thereto, and all substitutions for and replacements of any item or part thereof.

"**Event of Default**" has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

"**Guarantor**" has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

"**including**" means "**including without limitation**", and shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it; and "**includes**" shall have a corresponding meaning.

"**Instruments**" means all letters of credit, advices of credit and all other instruments in which the Debtor now or hereafter has rights or an interest, and any item or part thereof.

"**Intangibles**" means all intangibles of whatever kind in which the Debtor now or hereafter has rights or an interest, and any item or part thereof, including all of the Debtor's choses in action, contractual rights (including rights arising under or in connection with any of the Licenses, the Material Contracts and the Supply Agreement, including rights in Licensed Materials (as defined in the Supply Agreement), goodwill, patents, trade marks, copyright, industrial designs and other industrial or intellectual property whatever, including the Intellectual Property; and all rights and remedies of the Debtor thereunder including rights to damages and specific performance.

**"Intellectual Property"** means all copyrights, Licenses, software, trade marks (including Trade Marks), industrial designs, patents and other industrial or intellectual property, and any item or part thereof.

**"Inventory"** means all inventory of whatever kind in which the Debtor now or hereafter has rights or an interest, and any item or part thereof, including all goods, merchandise, raw materials, goods in process, finished goods and other tangible personal property now or hereafter held for sale, lease, resale or exchange or that are to be furnished or have been furnished under a contract of service or that are used or consumed in the business of the Debtor.

**"Leases"** means all leases of real property to which the Debtor is a party, whether as lessor or lessee.

**"Lenders"** has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

**"Licenses"** means all licenses and other agreements or rights of the Debtor to use any copyright, patent, trade mark, industrial design, confidential information or other intellectual or industrial property that the Debtor now has or hereafter acquires from any Person; and all rights and interest in and to all licenses, permits, authorizations and approvals issued to the Debtor by any government, governmental or regulatory body, agency, instrumentality or authority, and includes those listed in Schedule E, and any item or part thereof.

**"Lien"** has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

**"Loan"** has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

**"Material Adverse Effect"** means a material adverse effect on (a) the business, property, condition (financial or otherwise) or prospects of Debtor and its subsidiaries taken as a whole or of any Guarantor and its subsidiaries taken as a whole, (b) the ability of any Credit Party (as defined in the Collateral Agency and Intercreditor Agreement) to perform any of its obligations under any Credit Document to which it is a party, or (c) the rights and benefits available to the Secured Parties under the Credit Documents.

**"Material Contracts"** means those Agreements listed in Schedule E, and those other Agreements to which the Debtor hereafter becomes a party or by which it or any of the Collateral becomes bound and which may reasonably be considered to be material to the business, assets, operations, prospects or condition, financial or otherwise, of the Debtor and its subsidiaries taken as a whole, including any material construction, rights of way, easement, marketing, services, License or other Agreements, and including the Supply Agreement.

**"Money"** means all money in which the Debtor now or hereafter has rights or an interest, and any item or part thereof.

**"Notice of Enforcement"** has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

**"Obligations"** means:

- (i) all present and future debts, obligations and liabilities of any kind whatever of the Debtor pursuant to or in connection with the Credit Agreements or any of them, including all present and future indebtedness, obligations and liabilities of any kind of the Debtor thereunder to any of the Secured Parties,
- (ii) all present and future debts, obligations and liabilities of any kind whatsoever of the Debtor pursuant to or in connection with any and all Hedging Documents (as defined in the Collateral Agency and Intercreditor Agreement), including all present and future debts, obligations and liabilities of any kind of the Debtor to the Hedging Parties (as defined in the Collateral Agency and Intercreditor Agreement), and the Collateral Agent thereunder; and
- (iii) all present and future debts, obligations and liabilities of any kind whatever of the Debtor pursuant to or in connection with any and all other Credit Documents, including all present and future debts, obligations and liabilities of any kind of the Debtor thereunder or hereunder to the Collateral Agent or any of the other Secured Parties,

and includes all such debts, obligations and liabilities whether direct or indirect, extended or renewed, absolute or contingent, matured or not. "Obligations" includes all such debts, obligations and liabilities, in any currency and whether incurred by the Debtor alone or with another or others and whether as principal, guarantor or surety, including all future advances and re-advances and interest on all such debts, obligations and liabilities and all costs, charges and expenses incurred in connection with such debts, obligations and liabilities or in realizing upon Collateral pursuant to this Security Agreement.

**"Permitted Lien"** means any Lien that is a **"Permitted Lien"** as defined in each of the Lucent Credit Agreement and the Bank Credit Agreement (as such terms are defined in the Collateral Agency and Intercreditor Agreement), or that is otherwise permitted to exist on the Collateral (but only to the extent so permitted) pursuant to each of the Credit Agreements.

**"Person"** has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.



**"PPSA"** means the *Personal Property Security Act* of the Province of Ontario, and the regulations pursuant thereto.

**"Proceeds"** means all real or personal property and proceeds in any form derived directly or indirectly from any dealing with any item or part of the Collateral, or that indemnifies or compensates for such property, proceeds or Collateral destroyed, damaged, seized, expropriated or taken, including insurance proceeds, and proceeds of Proceeds whether or not of the same type, class or kind as the original Proceeds, and any item or part thereof.

**"Receiver"** means any receiver, manager or receiver and manager for the Collateral or the business and undertaking of the Debtor appointed by the Collateral Agent or by a court on application by the Collateral Agent.

**"Records"** means all books, accounts, invoices, letters, papers, security certificates, documents and other records in any form evidencing or relating in any way to any item or part of the Collateral and all contracts, securities, instruments and other rights and benefits in respect thereof, and any item or part thereof.

**"Related Parties"** has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

**"Replacements"** means all increases, additions and accessions to, and all substitutions for and replacements of, any item or part of the Collateral, and any item or part thereof.

**"Representative"** has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

**"Required Committed Secured Parties"** has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

**"Required Secured Parties"** has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

**"Secured Parties"** has the meaning attributed thereto in the Collateral Agency and Intercreditor Agreement.

**"Securities"** means all shares, stock, warrants, bonds, debentures, debenture stock and other securities in which the Debtor now or hereafter has rights or an interest, and any item or part thereof.

**"Security Agreement"** means this security agreement and all Schedules attached hereto and any Agreement or schedule supplementing or amending this security agreement. All uses of the words "hereto," "herein," "hereof," "hereby" and

"hereunder" and similar expressions refer to this Security Agreement and not to any particular section or portion of it. References to an Article, Section, Subsection or Schedule refer to the applicable article, section, subsection or schedule of this Security Agreement.

**"Security Interests"** means any and all Liens granted by the Debtor to the Collateral Agent in this Security Agreement.

**"Supply Agreement"** means that certain supply contract between the Guarantor and Lucent Technologies Canada Inc. (now Lucent Technologies Canada Corp.) made on August 14, 1998, as assigned by the Guarantor to the Debtor and as amended and restated on February 3, 2000.

**"Trade Marks"** means all registered trade marks and service marks that the Debtor now or hereafter owns, and any item or part thereof, including those listed in Schedule D.

## **SCHEDULE B**

### **Locations of Collateral and Records Relating Thereto**

1. GT Group Telecom Services Corp.'s chief executive office is located at WaterPlace Park, Suite 700, 20 Bay Street, Toronto, Ontario, M5J 2N8.
2. GT Group Telecom Services Corp.'s principal places of business are located at each of WaterPlace Park, Suites 200 and 700, 20 Bay Street, Toronto, Ontario M5J 2N8, 10<sup>th</sup> and 11<sup>th</sup> Floor– 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B6, 3<sup>rd</sup> Floor – 840 Howe Street, Vancouver, British Columbia, V6Z 2L2, 3887 & 3889 Second Avenue, Burnaby, British Columbia, 203 – 612 View Street, Victoria, British Columbia, Tower Centre, 500 – 115 9<sup>th</sup> Avenue, Calgary, Alberta, 1500-One Palliser Square, 125-9<sup>th</sup> Avenue, Calgary, Alberta, T2G 0P6, 10303 Jasper Avenue, Canadian Western Bank Plaza, Edmonton, Alberta, 1305, TD Tower, 10088 – 102 Avenue, Edmonton, Alberta, T5J 2Z1 and 6<sup>th</sup> and 7<sup>th</sup> Floor, 1000 Sherbrooke Street West, Montreal, Quebec, H2L 1L5.
3. GT Group Telecom Services Corp. maintains its shareholder and share transfer registers at WaterPlace Park, Suite 700, 20 Bay Street, Toronto, Ontario, M5J 2N8.
4. GT Group Telecom Services Corp. keeps any and all of its Collateral in British Columbia, Alberta, Ontario and Quebec.

## SCHEDULE C

### Interests in Real Property

1. WaterPlace Park, Suite 200 and 700, 20 Bay Street, Toronto, Ontario  
Leased from Omers Realty Corporation
2. Suite 10<sup>th</sup> and 11<sup>th</sup> Floor – 700 West Georgia Street, Vancouver, British Columbia  
Leased from Pacific Centre Leaseholds Limited
3. Suite 1000 – 701 West Georgia Street, Vancouver, British Columbia  
Subleased from IBM Canada Ltd. (whose landlord is Pacific Centre Limited)
4. 3<sup>rd</sup> Floor – 840 Howe Street, Vancouver, British Columbia  
Leased from 3352200 Canada Inc. c/o GWL Realty Advisors Inc.
5. 3887 and 3889 Second Avenue, Burnaby, British Columbia  
Right to Purchase registered against title
6. 203 – 612 View Street, Victoria, British Columbia  
Leased from Town Properties Ltd.
7. 1500 – One Palliser Square, 125-9<sup>th</sup> Avenue, Calgary, Alberta  
Leased from Bentall (Alberta) Ltd.
8. Tower Centre, 500 – 115 9<sup>th</sup> Avenue, Calgary, Alberta  
Leased from Bentall (Alberta) Ltd.
9. 1305 TD Tower, 10088 – 102 Avenue, Edmonton, Alberta  
Leased from The Edmonton Centre Limited
10. 10303 Jasper Avenue, Canadian Western Bank Place, Edmonton, Alberta  
Leased from The Cadillac Fairview Corporation Limited
11. Suites 600 and 700, 1000 Sherbrooke Street, West, Montreal, Quebec  
Leased from Monit International Inc.

# SCHEDULE D

## Trade Marks and Registered Intellectual Property

GT GROUP TELECOM SERVICES CORP.

trade-mark application/registrations as of 8 February, 2000

NOTE: With the exception of the last-listed trade-mark, all of the listed applications/registrations are Canadian.

GT Group Telecom Services Corp. is the owner of all of the applications/registrations with the exception of the trade-mark **GROUP TELECOM THE POWER OF INFORMATION & Design**, which is owned by GT Group Telecom Inc.

Trade-mark	Status	Application/ Registration No.	Filing/ Registration Date	Wares/Services
<b>MIO</b>	Filed	Application No. 1,036,592	Filed: November 18, 1999	smart cards and identification cards holding digital certificates or tokens; digital certification services
<b>CONNECTED MODE-PKI</b>	Filed	Application No. 1,036,594	Filed: November 18, 1999	secure Internet transaction services; online storage and retrieval services; web site hosting; marketing services; and security services, namely authentication services, secure messaging services and secured storage services
<b>PKI VAULT</b>	Filed	Application No. 1,036,593	Filed: November 18, 1999	secure Internet transaction services; online storage and retrieval services; web site hosting; marketing services; and security services, namely authentication services, secure messaging services and secured storage services
<b>GT TEL</b>	Allowed	Application No. 852,434	Filed: July 30, 1997	Telecommunications services

<b>GT NET</b>	Allowed	Application No. 852,433	Filed: July 30, 1997	Network communications services
<b>GT READY</b>	Allowed	Application No. 852,432	Filed: July 30, 1997	Communications services
<b>GROUP TELECOM GT &amp; Design</b>	Registered	Registration No. TMA 520,668	Registered: December 16, 1999	Providing telecommunications services for voice, video, multimedia and data transfer; providing telecommunications network connectivity; integrating telecommunications hardware and network operating systems; providing access to high-speed fibre-optic telecommunications networks; and telecommunications systems consulting
<b>GROUPTELECOM</b>	Registered	Registration No. TMA 520,670	Registered: December 16, 1999	Internet access services; Providing telecommunications services for voice, video, multimedia and data transfer; providing telecommunications network connectivity; integrating telecommunications hardware and network operating systems; providing access to high-speed fibre-optic telecommunications networks; and telecommunications systems consulting
<b>GT</b>	Allowed	Application No. 858,833	Filed: 15 October, 1997	Internet access services; Providing telecommunications services for voice, video, multimedia and data transfer; providing telecommunications network connectivity; integrating telecommunications hardware and network operating systems; providing access to high-speed fibre-optic telecommunications networks; and telecommunications systems consulting
<b>SPIM</b>	Allowed	Application	Filed:	Computer software relating to

		No. 895,982	November 10, 1998	web-based messaging; web-based messaging services
<b>GTTV</b>	Allowed	Application No. 852,435	Filed: July 30, 1997	Internet communications services
<b>GROUP TELECOM THE POWER OF INFORMATION &amp; Design</b> (Note: Application presently in name of GT Group Telecom Inc.)	Abandoned (Note: we have recently received instructions to revive)	Application No 898,536.	Filed: December 4, 1998	Telecommunication services; Internet access services; electronic commerce services; software development services relating to electronic commerce; data and computer networking services; and data and computer networking consulting services
<b>SPIM</b> (Note: a US trade-mark application)	Pending	Application No. 75/688,194	Filed: April 22, 1999	computer software relating to web-based messaging; web-based messaging services

## SCHEDULE E

### Intercompany Agreements and Material Contracts

- a) Shaw Agreements:
  - (i) Indefeasible Right of Use Agreement between Shaw Fiberlink Ltd. and GT Group Telecom Inc.
  - (ii) Performance Assurance Agreement between Shaw Communications Inc. and GT Group Telecom Inc.
  - (iii) Transitional Services Agreement between Shaw Communications Inc., Shaw Fiberlink Ltd., GT Group Telecom Inc. and GT Group Telecom Services Corp.
- b) Right of Way Agreements
  - (i) Interim Municipal Access Agreement between The City of Burnaby and GT Group Telecom Services Corp. dated January 19, 1999
  - (ii) Municipal Access Agreement between the City of Vancouver and GT Group Telecom Networks Inc.
  - (iii) Municipal Consent and Access Agreement between The City of Calgary and GT Group Telecom Services Corp.
  - (iv) Conduit Access and Facilities Infrastructure Agreement between Enmax Corporation and GT Group Telecom Services Corp. dated August 17, 1999
  - (v) Conduit Access Agreement between Epcor Energy Distribution Inc. and GT Group Telecom Services Corp. dated August 12, 1999
  - (vi) Agreement for Permit of Occupation between British Columbia Hydro and Power Authority and BSC Broadband Solutions Network Inc. dated November 1, 1996
  - (vii) Fibre Optic Agreement between Toronto Hydro-Electric System Limited and GT Group Telecom Services Corp. dated July 15, 1999
- c) Interconnection Agreements
  - (i) Interim Interconnection Agreement for LEC and LEC Interconnection between BC Tel and GT Group Telecom Services Corp. dated June 17, 1998
  - (ii) Interim Interconnection Agreement for LEC to LEC Interconnection, dated October 13, 1998 between Bell Canada and GT Group Telecom Networks (which amalgamated with GT Group Telecom Services Corp., effective March 10, 1999).
  - (iii) Interconnection Agreement for the Provision of a 9-1-1 Service to a Competitive Local Exchange Carrier, dated October 13, 1998 between Bell Canada and GT Group Telecom Networks (which amalgamated with GT Group Telecom Services Corp., effective March 10, 1999).
  - (iv) Message Relay Service Agreement dated October 13, 1998 between Bell Canada and GT Group Telecom Networks (which amalgamated with GT Group Telecom Services Corp., effective March 10, 1999).



d) Leases

- (i) Offer to Lease between 3352200 Canada Inc. and GT Group Telecom Inc. dated January 28, 1998
  - (ii) Lease between Monit International Inc. and GT Group Telecom Services Corp. dated December 17, 1999
  - (iii) Waterpark Place Lease between Omers Realty Corporation and GT Group Telecom Services Corp. dated July 29, 1999
  - (iv) Offer to Lease between Bentall Alberta Ltd. and GT Group Telecom Services Corp. dated July 27, 1999
  - (v) Offer to Lease between Pacific Centres Leaseholds Limited and GT Group Telecom Services Corp. dated July 26, 1999
- e) Right to Purchase 3887 and 3889 Second Avenue, Burnaby, British Columbia filed February 16, 1999 at the New Westminster Land Titles Office
- f) Supply Agreement between Lucent Technologies Canada Inc. and GT Group Telecom Inc. made on August 14, 1998, as assigned by GT Group Telecom Inc. to GT Group Telecom Services Corp. and as amended and restated on February 3, 2000.

**SCHEDULE F**

**Serial Numbered Goods**

Nil

# ALSTON & BIRD LLP

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January 10, 2001

VIA EXPRESS MAIL: EL699901239US

Commissioner of Patents and Trademarks  
Box Assignments  
Washington, DC 20231

Re: Recordation of Security Agreement

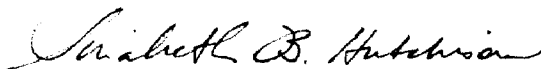
Dear Sir:

Please find enclosed the following items in connection with the above:

- 1.) Recordation Form Cover Sheet;
- 2.) General Security Agreement with attachments ;
- 3.) Check in the amount of \$390.00 in payment of the required fees; and
- 4.) Return postcard.

Please let us know if you require anything further concerning this recordation.

Sincerely yours,



Ginabeth B. Hutchison

Attachments

GBH:rmd

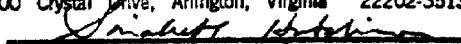
ATL01/10890421v1

#### CERTIFICATE OF EXPRESS MAILING

Express Mail mailing label number EL 699901239US

Date of Deposit 1/12/01

I hereby certify that the enclosed material was deposited with the United States Postal Service at the Post Office to Addressee\* on the date indicated above and is addressed to: Assistant Commissioner for Trademarks, 2900 Crystal Drive, Arlington, Virginia 22202-3513



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Fax: 919-420-2260

601 Pennsylvania Avenue, N.W.  
North Building, 11th Floor  
Washington, DC 20004-2601  
202-756-3300  
Fax: 202-756-3333

RECORDED: 01/16/2001

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