

04-27-2001



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04-12-2001

U.S. Patent & TMO/TM Mail Rpt Dt. #88

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

4-17-01

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 Day Year

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)

- Individual General Partnership Limited Partnership
- Corporation Association
- 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

FOR OFFICE USE ONLY

04/26/2001 AAHMED1 00000320 76178374

01 FC:481 40.00 DP
02 FC:482 200.00 DP

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Mail documents to be recorded with required cover sheet(s) information to:
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TRADEMARK
REEL: 002282 FRAME: 0441

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="76/178,374"/>	<input type="text" value="76/135,110"/>	<input type="text" value="76/122,646"/>
<input type="text" value="76/137,029"/>	<input type="text" value="76/135,109"/>	<input type="text" value="76/120,826"/>
<input type="text" value="76/135,122"/>	<input type="text" value="76/134,793"/>	<input type="text" value="76/111,895"/>

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<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.

Robert H. G. Lockwood

Name of Person Signing

Signature

4/12/01

Date Signed

TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, dated as of January 24, 2001, 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 Trademarks 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 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: [Signature]
 Name: Brian K. Branson
 Title: CFO

ACCEPTED AND ACKNOWLEDGED BY:

GENERAL ELECTRIC CAPITAL CORPORATION

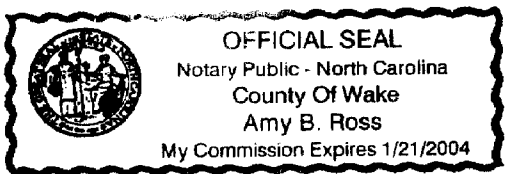
By: [Signature]
 Name: Stephen W Hupp
 Title: Vice President

ACKNOWLEDGMENT OF GRANTOR

STATE OF North Carolina
) ss.
 COUNTY OF Wake

On this 2nd day of February, 2001, before me personally appeared Brian K. Branson, 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.

{seal}



[Signature]
 Notary Public

SCHEDULE I
Service Marks owned by Business Telecom, Inc.

<u>Mark</u>	<u>Application Filed</u>	<u>Serial Number</u>	<u>Status</u>
The Fastest Cat on the Net	12/11/2000	76/178374	Pending
BTI plus new design (cable)	9/29/00 (intent)	76/137029	Pending
US Datacom (stylized)	9/25/00	76/135122	Pending
Max Commerce (stylized)	9/25/00	76/135110	Pending
BTINET	9/25/00	76/135109	Pending
Max Commerce	9/26/00	76/134793	Pending
Invoice Online plus design	9/05/00	76/122646	Pending
Invoice Online	9/05/00	76/120826	Pending
BTI the Future of Communications	8/17/00	76/111895	Pending