

01-14-2002

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U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

101944307

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

1-14-02

1. Name of conveying party(ies):  
**FIBERLINK COMMUNICATIONS CORPORATION**  
794 PENLLYN PIKE  
BLUE BELL, PA 19422  
 Individual(s)  Association  
 General partnership  Limited Partnership  
 Corporate-State Pennsylvania  
 Other \_\_\_\_\_

2. Name and address of receiving party(ies)  
Name: Comerica Bank- California  
Internal  
Address: \_\_\_\_\_  
Street  
Address: 11921 Freedom Drive, Suite 920  
City: Reston State: VA ZIP: 20190  
 Individual(s) citizenship \_\_\_\_\_  
 Association National Association  
 General partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporate-State \_\_\_\_\_  
 Other \_\_\_\_\_

Additional name(s) of conveying party(ies) attached?  Yes  No

3. Nature of conveyance:  
 Assignment  Merger  
 Security Agreement  Change of Name  
 Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached  Yes  No  
(Designations must be a separate document from assignment)  
Additional name(s) & address(es) attached?  Yes  No

Execution Date: December 26, 2001

4. Application number(s) or registration number(s):  
A. Trademark Application No.(s)  
78/015097; 76/326743; 76/207310  
Additional number(s) attached  Yes  No

B. Trademark Registration No.  
2,077,100  
JAN 10 2002

5. Name and address of party to whom correspondence concerning document should be mailed:  
Name: Sally A. Steffen  
Internal Address Ballard Spahr Andrews & Ingersoll, LLP  
Street Address: 1735 Market Street, 51<sup>st</sup> Floor  
City: Philadelphia State: PA Zip: 19103

6. Total number of applications and registrations involved:..... 4

7. Total Fee (37 CFR 3.41) \$115.00  
 Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number: 020755  
(Attach duplicate copy of this page if paying by deposit account)

01/15/2002 6  
01 FC:481  
02 FC:482

40.00 CH  
75.00 CH  
**DO NOT USE THIS SPACE**

9. 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.*  
Sally A. Steffen Sally A Steffen 1/10/02  
Name of Person Signing Signature Date  
Total number of pages including cover sheet, attachments, and document: 27

## SECURITY AGREEMENT

This SECURITY AGREEMENT is made and entered into as of December 26, 2001, by and between FIBERLINK COMMUNICATIONS CORPORATION (the "Borrower"), and COMERICA BANK – CALIFORNIA, a national banking association, as agent (in such capacity, the "Agent") for the banks and other financial institutions (the "Banks") from time to time parties to the Credit Agreement, dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among the Borrower, the Banks, the Agent and the other holders of the Obligations.

### WITNESSETH:

WHEREAS, the Borrower, the Banks and the Agent are parties to the Credit Agreement;

WHEREAS, pursuant to the provisions of the Credit Agreement and upon the terms and subject to the conditions set forth therein, the Banks have severally agreed (i) to make certain loans (the "Loans") to the Borrower to be evidenced by the notes issued by the Borrower thereunder (the "Notes") and (ii) to issue or participate in letters of credit for the account of the Borrower;

WHEREAS, it is a condition precedent to the obligation of the Banks to make their respective Loans to, and issue certain letters of credit for the account of, the Borrower under the Credit Agreement, that the Borrower shall have executed and delivered this Security Agreement to the Agent for the ratable benefit of the Banks; and

NOW, THEREFORE, in consideration of the premises and to induce the Agent and the Banks to enter into the Credit Agreement and to induce the Banks to make their respective Loans to, and issue certain letters of credit for the account of, the Borrower under the Credit Agreement, the Borrower hereby agrees with the Agent, for the ratable benefit of the Banks, as follows:

1. Defined Terms. Unless otherwise defined herein, terms which are defined in the Credit Agreement and used herein are so used as so defined; the following terms which are defined in the Uniform Commercial Code in effect from time to time in any applicable jurisdiction are used herein as so defined: Accounts (including Health-Care-Insurance Receivables), Chattel Paper (including Electronic Chattel Paper and Tangible Chattel Paper), Commercial Tort Claims, Deposit Accounts, Documents, Equipment, Farm Products, Financial Assets, General Intangibles, Instruments, Inventory, Investment Property (including Securities Entitlements, Securities Accounts, Commodity Accounts, and Commodity Contracts), Letter-of-

Credit Rights, Payment Intangibles, Software, Supporting Obligations and Proceeds; and the following terms shall have the following meanings:

“Code” shall mean the Uniform Commercial Code as from time to time in effect in the Commonwealth of Pennsylvania.

“Collateral” shall have the meaning assigned to it in Section 2 of this Security Agreement.

“Contracts” shall mean all contracts and other agreements between the Borrower and any other Person, as the same may from time to time be amended, supplemented or otherwise modified, including, without limitation, (a) all rights of the Borrower to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of the Borrower to damages arising out of, or for, breach or default in respect thereof and (c) all rights of the Borrower to perform and to exercise all remedies thereunder.

“Copyrights” shall mean (a) all copyrights, registrations and applications for registration, issued or filed, including any reissues, extensions or renewals thereof, by or with the United States Copyright Office or any similar office or agency of the United States, any State thereof, or any other country or political subdivision thereof, or otherwise, including, all rights in and to the material constituting the subject matter thereof, including, without limitation, any referred to in Schedule I hereto, and (b) any rights in any material which is copyrightable or which is protected by common law, United States copyright laws or similar laws or any law of any State, including, without limitation, any thereof referred to in Schedule I hereof.

“Copyright License” shall mean any agreement, written or oral, providing for a grant by the Borrower of any right in any Copyright, including, without limitation, any thereof referred to in Schedule I hereof.

“Patents” shall mean (a) all letters patent of the United States or any other country or any political subdivision thereof, and all reissues and extensions thereof, including, without limitation, any thereof referred to in Schedule I hereto, and (b) all applications for letters patent of the United States and all divisions, continuations and continuations-in-part thereof or any other country or any political subdivision, including, without limitation, any thereof referred to in Schedule I hereto.

“Patent License” shall mean all agreements, whether written or oral, providing for the grant by the Borrower of any right to manufacture, use or sell any invention covered by a Patent, including, without limitation, any thereof referred to in Schedule I hereto.

“Security Agreement” shall mean this Security Agreement, as amended, supplemented or otherwise modified from time to time.

**“Trademarks”** shall mean (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, including, without limitation, any thereof referred to in Schedule II hereto, and (b) all reissues, extensions or renewals thereof.

**“Trademark License”** shall mean any agreement, written or oral, providing for the grant by the Borrower of any right to use any Trademark, including, without limitation, any thereof referred to in Schedule II hereto.

2. **Grant of Security Interest.** As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations, the Borrower hereby grants to the Agent for the ratable benefit of the holders of the Obligations a security interest in all of the following property now owned or at any time hereafter acquired by the Borrower or in which the Borrower now has or at any time in the future may acquire any right, title or interest (collectively, the “Collateral”):

- (i) all Accounts (including Health-Care-Insurance Receivables);
- (ii) all Chattel Paper (including Electronic Chattel Paper and Tangible Chattel Paper);
- (iii) all Contracts;
- (iv) all Copyrights and Copyright Licenses;
- (v) all Deposit Accounts;
- (vi) all Documents;
- (vii) all Equipment;
- (viii) all General Intangibles and Commercial Tort Claims;
- (ix) all Instruments;
- (x) all Inventory;
- (xi) all Investment Property, (including Securities Entitlements, Securities Accounts, Commodity Accounts, and Commodity Contracts);

- (xii) all Letter-of-Credit Rights;
- (xiii) all Patents and Patent Licenses;
- (xiv) all Payment Intangibles;
- (xv) all Software (in whatever form);
- (xvi) Supporting Obligations;
- (xvii) Trademarks and Trademark Licenses; and

(xviii) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing.

3. Rights of Agent and Holders of the Obligations; Limitations on Agent's and Holders' Obligations.

(a) Borrower Remains Liable under Accounts and Contracts. Anything herein to the contrary notwithstanding, the Borrower shall remain liable under each of the Accounts and Contracts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to each such Account and in accordance with and pursuant to the terms and provisions of each such Contract. No holder of any Obligation shall have any obligation or liability under any Account (or any agreement giving rise thereto) or under any Contract by reason of or arising out of this Security Agreement or the receipt by such holder of any payment relating to such Account or Contract pursuant hereto, nor shall any holder of any Obligation be obligated in any manner to perform any of the obligations of the Borrower under or pursuant to any Account (or any agreement giving rise thereto) or under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto) or under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(b) Notice to Account Debtors and Contracting Parties. Upon the request of the Agent at any time after the occurrence and during the continuance of an Event of Default, the Borrower shall notify account debtors on the Accounts and parties to the Contracts that the Accounts and the Contracts have been assigned to the Agent for the ratable benefit of the holders of the Obligations and shall indicate on all billings that payments in respect thereof shall be made directly to the Agent. The Agent may in its own name or in the name of others communicate with account debtors on the Accounts and parties to the Contracts to verify with them to its satisfaction the existence, amount and terms of any Accounts or Contracts.

(c) Analysis of Accounts. The Agent shall have the right to make test verifications of the Accounts in any manner and through any medium that it reasonably considers advisable, and

the Borrower shall furnish all such assistance and information as the Agent may require in connection therewith. At any time and from time to time, upon the Agent's request and at the expense of the Borrower, the Borrower shall cause independent public accountants or others satisfactory to the Agent to furnish to the Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts.

(d) Collections on Accounts. The Agent hereby authorizes the Borrower to collect the Accounts, subject to the Agent's written direction and control, from the account debtors. Prior to the occurrence of an Event of Default, the Proceeds of Accounts so collected by the Borrower shall be received and held by the Borrower in trust for the Agent and the holders of the Obligations but may be applied by the Borrower in its discretion towards payment of the Obligations or other corporate purposes. Upon the occurrence of an Event of Default, the authority hereby given to the Borrower to collect the Proceeds of Accounts in trust for the Agent and the holders of the Obligations may be terminated by the Agent at any time and, if so directed by the Agent in writing, the Borrower shall deliver to the Agent on the date of receipt thereof by the Borrower all Proceeds in the form of cash, checks, drafts, notes and other remittances received in payment of or on account of the Borrower's Accounts. Following receipt by the Agent such Proceeds shall be deposited in a special bank account (the "Cash Collateral Account") maintained with the Agent over which the Agent alone shall have power of withdrawal. All Proceeds other than cash shall be deposited in precisely the form in which received, except for the addition thereto of the endorsement of the Borrower when necessary to permit collection of the items, which endorsement the Borrower agrees to make. The Borrower will not commingle any such Proceeds with any of the Borrower's other funds or property but will hold them separate and apart from any other funds or property and upon an express trust for the Agent until deposit thereof is made in the Cash Collateral Account.

4. Representations and Warranties. The Borrower hereby represents and warrants that:

(a) Title; No Other Liens. Except for the Lien granted to the Agent for the ratable benefit of the holders of the Obligations pursuant to this Security Agreement and the other Liens permitted to exist on the Collateral pursuant to the Credit Agreement, the Borrower owns or has the power to transfer rights in each item of the Collateral free and clear of any and all Liens or claims of others. No security agreement, financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as may have been filed in favor of the Agent, for the ratable benefit of the holders of the Obligations, pursuant to this Security Agreement or as may be permitted pursuant to the Credit Agreement.

(b) Perfected First Priority Liens. The Liens granted pursuant to this Security Agreement constitute perfected Liens on the Collateral in favor of the Agent, for the ratable benefit of the holders of the Obligations, which are prior to all other Liens on the Collateral in existence on the date hereof (other than Permitted Liens) and are enforceable as such against all creditors of and purchasers from the Borrower and against any owner or purchaser of the real property where any of the Equipment is located and any present or future creditor obtaining a Lien on such real property.

(c) Accounts. The amount represented by the Borrower to the Agent or the other holders of the Obligations in any accounts receivable aging and in other reports requested by or furnished to the Agent or the other holders of the Obligations as owing by each account debtor or by all account debtors in respect of the Accounts will at such time be the correct amount actually owing by such account debtor or debtors thereunder. No amount payable to the Borrower under or in connection with any Account is evidenced by any Instrument or Chattel Paper which has not been delivered to the Agent. The Borrower keeps its records concerning the Accounts at the location or locations set forth in Schedule III.

(d) Contracts. Except for consents that have been obtained by the Borrower, no consent of any party (other than the Borrower) to any Contract is required, or purports to be required, in connection with the execution, delivery and performance of this Security Agreement. Each Contract is in full force and effect and constitutes a valid and legally enforceable obligation of the Borrower, and to the best of the Borrower's knowledge, the other parties thereto, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditor's rights generally. No consent or authorization of, filing with or other act by or in respect of any Governmental Authority is required in connection with the execution, delivery, performance, validity or enforceability of any of the Contracts by any party thereto other than those which have been duly obtained, made or performed, are in full force and effect and do not subject the scope of any such Contract to any material adverse limitation, either specific or general in nature. Neither the Borrower nor (to the best of the Borrower's knowledge) any other party to any Contract is in default or is likely to become in default in the performance or observance of any of the terms thereof. The Borrower has performed its obligations under each Contract in all material respects. The right, title and interest of the Borrower in, to and under each Contract are not, to the best of the Borrower's knowledge, subject to any defense, offset, counterclaim or claim which would materially adversely affect the value of such Contract as Collateral, nor have any of the foregoing been asserted or alleged against the Borrower as to any Contract. The Borrower has made available to the Agent a complete and correct copy of each Contract, including all amendments, supplements and other modifications thereto. No amount payable to the Borrower under or in connection with any Contract is evidenced by any Instrument or Chattel Paper which had not been delivered to the Agent.

(e) Inventory. The types, amounts and valuations of the Inventory or any other information regarding the same represented by the Borrower in any reports requested by or furnished to the Agent, the Banks or the other holders of the Obligations will at such time be accurate to the best of the Borrower's knowledge. The Borrower keeps records concerning the Inventory at the location or locations listed on Schedule IV. The Inventory is kept at the locations listed on Schedule V hereto.

(f) Equipment. The Equipment is kept at the locations listed on Schedule VI hereto.

(g) Chief Executive Office; Place of Organization. The locations of each of the Borrower's chief executive office, chief place of business, form of and place of organization are set forth on Schedule VII.

(h) Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

(i) Patents, Trademarks and Copyrights. Schedule I hereto includes all Patents and Patent Licenses and Copyrights and Copyright Licenses owned by the Borrower in its own name as of the date hereof. Schedule II hereto includes all Trademarks and Trademark Licenses owned by the Borrower in its own name as of the date hereof. To the best of the Borrower's knowledge, each Patent, Trademark and Copyright is valid, subsisting, unexpired, enforceable and has not been abandoned. Except as set forth in either such Schedule, none of such Patents, Trademarks or Copyrights is the subject of any licensing or franchise agreement. No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of any Patent, Trademark or Copyright. No action or proceeding is pending (i) seeking to limit, cancel or question the validity of any Patent, Trademark or Copyright, or (ii) which, if adversely determined, would have a material adverse effect on the value of any Patent, Trademark or Copyright.

(j) Power and Authority; Authorization. The Borrower has the corporate or other power and authority and the legal right to execute and deliver, to perform its obligations under, and to grant the Lien on the Collateral pursuant to, this Security Agreement and has taken all necessary corporate or other action to authorize its execution, delivery and performance of, and grant of the Lien on the Collateral pursuant to, this Security Agreement.

(k) Enforceability. This Security Agreement constitutes a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

(l) No Conflict. The execution, delivery and performance of this Security Agreement will not violate any provision of any Requirement of Law or Contractual Obligation of the Borrower and will not result in the creation or imposition of any Lien on any of the properties or revenues of the Borrower pursuant to any Requirement of Law or Contractual Obligation of the Borrower, except as contemplated hereby.

(m) No Consents, etc. No consent or authorization of, filing with, or other act by or in respect of, any arbitrator or Governmental Authority and no consent of any other Person (including, without limitation, any stockholder or creditor of the Borrower), is required in connection with the execution, delivery, performance, validity or enforceability of this Security Agreement.

(n) No Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against the Borrower or against any of its properties or revenues with respect to this Security Agreement or any of the transactions contemplated hereby.

5. Covenants. The Borrower covenants and agrees with the Agent, the Banks and the other holders of the Obligations that, from and after the date of this Security Agreement until the



Obligations are paid in full, the Revolving Credit Commitments, Equipment Loan Commitments and S/LI Loan Commitments are terminated, and there are no Letters of Credit outstanding it will:

(a) Notices; Further Documentation; Authorization to File Financing Statements.

Notify the Agent in writing at any time that it opens, acquires, obtains, or becomes the beneficiary of any type of Collateral (or rights therein) to the extent the Agent and the Banks will not at that time have, and continuously thereafter (subject to the filing of continuation statements, if necessary) maintain, a perfected first priority security interest in (subject to Permitted Liens) such Collateral, including but not limited to: all Deposit Accounts, Securities Accounts and Commodity Accounts and other Investment Property; all Commercial Tort Claims; all Instruments, Documents, Tangible Chattel Paper and Electronic Chattel Paper; all other Collateral in the possession of a third party; and all Letter-of-Credit Rights and other Supporting Obligations. At any time and from time to time, upon the written request of the Agent, and at the sole expense of the Borrower, promptly (i) deliver to the Agent all letters of credit and other Supporting Obligations, Instruments, Chattel Paper, Documents and Investment Property (including any necessary endorsements) that at any time is part of the Collateral or becomes Proceeds of any Collateral, and (ii) execute and deliver such further instruments, agreements and documents and take such further action as the Agent may reasonably request for the purpose of obtaining, preserving, and enforcing the full benefits of this Security Agreement and of the rights and powers herein granted, including, without limitation, executing and delivering and using commercially reasonable efforts to cause third parties to execute and deliver to the Agent security agreements, pledge agreements, control agreements, bailee acknowledgments, assignments and waivers, all in form and substance satisfactory to the Agent. The Borrower will mark all Chattel Paper with a legend indicating that the Agent has a security interest in the Chattel Paper.

The Borrower also hereby authorizes the Agent to file any Uniform Commercial Code financing or continuation statement without the signature of the Borrower to the extent permitted by applicable law. The Borrower hereby ratifies any filing by the Agent of financing statements prior to the date hereof with respect to the Collateral. A carbon, photographic, facsimile or other reproduction of this Security Agreement shall be sufficient as a financing statement for filing in any jurisdiction.

(b) Indemnification. Pay, and save the Agent, the Banks and the other holders of the Obligations harmless from, any and all liabilities, costs and expenses (including, without limitation, legal fees and expenses) (i) with respect to, or resulting from, any delay in paying any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any Requirement of Law applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Security Agreement. In any suit, proceeding or action brought by the Agent, any Bank or any of the other holders of the Obligations under any Account or Contract for any sum owing thereunder, or to enforce any provisions of any Account or Contract, the Borrower will save, indemnify and keep the Agent, each Bank and each other holder of the Obligations harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction of liability whatsoever of

the account debtor or obligor thereunder, arising out of a breach by the Borrower of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from the Borrower.

(c) Maintenance of Records. Keep and maintain at its own cost and expense satisfactory and complete records of the Collateral, including, without limitation, a record of all payments received and all credits granted with respect to the Accounts. The Borrower will mark its books and records pertaining to the Collateral to evidence this Security Agreement and the security interests granted hereby. For the Agent's, the Banks' and the other holders' of the Obligations further security, the Agent, for the ratable benefit of the Banks and the other holders of the Obligations, shall have a security interest in the Borrower's books and records pertaining to the Collateral, and the Borrower shall turn over any such books and records to the Agent or to its representatives during normal business hours at the request of the Agent.

(d) Right of Inspection and Audit. Give to the Agent and the Banks at all times upon reasonable prior notice full and free access during normal business hours to all of its books, correspondence and records and the Agent and the Banks and their respective representatives may examine, inspect or audit the same, take extracts therefrom and make photocopies thereof, and the Borrower agrees to render to the Agent and the Banks, at the Borrower's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. The Agent and the Banks and their respective representatives shall at all times also have the right to enter into and upon any premises where any of the Inventory or Equipment is located for the purpose of examining, inspecting or auditing the same, observing its use or otherwise protecting their interests therein.

(e) Compliance with Laws, etc. Comply in all material respects with all Requirements of Law applicable to the Collateral or any part thereof or to the operation of its business; provided, however, that the Borrower may contest any Requirement of Law in any reasonable manner which shall not, in the reasonable opinion of the Agent, adversely affect the Agent's or the Banks' rights or the priority of their Liens on the Collateral.

(f) Compliance with Terms of Contracts, etc. Perform and comply in all material respects with all its obligations under the Contracts and all its other Contractual Obligations relating to the Collateral.

(g) Payment of Obligations. Pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of its income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if (i) the validity thereof is being contested in good faith by appropriate proceedings, (ii) such proceedings do not involve any material danger of the sale, forfeiture or loss of any of the Collateral or any interest therein and (iii) such charge is adequately reserved against on the Borrower's books in accordance with GAAP.

(h) Limitation on Liens on Collateral. Not create, incur or permit to exist, will defend the Collateral against, and take such other action as is necessary to remove, any Lien or claim on

or to the Collateral, other than the Permitted Liens, and will defend the right, title and interest of the Agent, the Banks and the other holders of the Obligations in and to any of the Collateral against the claims and demands of all Persons whomsoever.

(i) Limitations on Dispositions of Collateral. Not sell, transfer, lease or otherwise dispose of any of the Collateral, or attempt, offer or contract to do so except as expressly permitted pursuant to the Credit Agreement.

(j) Limitations on Modifications, Waivers, Extensions of Contracts and Agreements Giving Rise to Accounts. Not (i) amend, modify, terminate or waive any provision of any Contract or any agreement giving rise to an Account in any manner which could reasonably be expected to materially adversely affect the value of such Contract or Account as Collateral, (ii) fail to exercise promptly and diligently each and every material right which it may have under each Contract and each agreement giving rise to an Account (other than any right of termination) or (iii) fail to deliver to the Agent a copy of each material demand, notice or document received by it relating in any way to any Contract or any agreement giving rise to an Account.

(k) Limitations on Discounts, Compromises, Extensions of Accounts. Not grant any extension of the time of payment of any of the Accounts, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partially, any Person liable for the payment thereof, or allow any credit or discount whatsoever thereon, other than in the ordinary course of business as generally conducted by the Borrower over a period of time.

(l) Further Identification of Collateral. Furnish to the Agent and the Banks from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Agent may reasonably request, all in reasonable detail.

(m) Notices. Advise the Agent promptly, in reasonable detail, at its address set forth in the Credit Agreement, (i) of any Lien (other than Permitted Liens) on, or claim asserted against, any of the Collateral and (ii) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the Liens created hereunder.

(n) Changes in Locations, Name, Place of Organization, etc. Unless it shall have given the Agent at least 30 days prior written notice thereof, the Borrower will not (i) change the location of its chief executive office or chief place of business from that specified in Schedule VII attached hereto or remove its books and records from the location specified in Schedule VII attached hereto, (ii) permit any of the Inventory or Equipment to be kept at a location other than those listed on Schedules V and VI hereto, (iii) change its name, identity or corporate structure to such an extent that any financing statement filed by the Agent in connection with this Security Agreement would become seriously misleading or (iv) change the state of its organization.

(o) Patents, Trademarks and Copyrights.

(i) Except with respect to any Trademark or Copyright that it shall reasonably determine is of negligible economic value to it, (either itself or through licensees), (A) continue to use each Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (B) maintain as in the past the quality of products and services offered under such Trademark, (C) employ such Trademark or Copyright with the appropriate notice of registration, (D) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Agent, for the ratable benefit of the holders of the Obligations, shall obtain a perfected security interest in such mark pursuant to this Security Agreement, and (E) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any Trademark or Copyright may become invalidated.

(ii) Not, except with respect to any Patent that it shall reasonably determine is of negligible economic value to it, do any act, or omit to do any act, whereby any Patent may become abandoned or dedicated.

(iii) Notify the Agent and the Banks immediately if it knows, or has reason to know, that any application or registration relating to any Patent, Trademark or Copyright may become abandoned or dedicated, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding its ownership of any Patent, Trademark or Copyright or its right to register the same or to keep and maintain the same.

(iv) Whenever the Borrower, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, report such filing to the Agent and the Banks within five Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Agent, the Borrower shall execute and deliver any and all agreements, instruments, documents, and papers as the Agent may request to evidence the Agent's and the Banks' security interest in any Patent, Trademark or Copyright and the goodwill and general intangibles of the Borrower relating thereto or represented thereby, and the Borrower hereby constitutes the Agent, its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Obligations are paid in full and the Commitments are terminated.

(v) Take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the Patents, Trademarks and Copyrights, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(vi) In the event that any Patent, Trademark or Copyright included in the Collateral is infringed, misappropriated or diluted by a third party, promptly notify the Agent and the Banks after it learns thereof and shall, unless it shall reasonably determine that such Patent, Trademark or Copyright is of negligible economic value to it, which determination it shall promptly report to the Agent and the Banks, promptly sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution, or take such other actions as it shall reasonably deem appropriate under the circumstances to protect such Patent, Trademark or Copyright.

6. Agent's Appointment as Attorney-in-Fact.

(a) Powers. The Borrower hereby irrevocably constitutes and appoints the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Borrower and in the name of the Borrower or in its own name, from time to time in the Agent's discretion, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Security Agreement, and, without limiting the generality of the foregoing, the Borrower hereby gives the Agent the power and right, on behalf of the Borrower, without notice to or assent by the Borrower, to do the following:

(i) in the case of any Account, at any time when the authority of the Borrower to collect the Accounts has been curtailed or terminated pursuant to Section 3(d) hereof, or in the case of any other Collateral, at any time when any Event of Default shall have occurred and is continuing, in the name of the Borrower or its own name, or otherwise, to take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Account, Instrument, General Intangible or Contract or with respect to any other Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Agent for the purpose of collecting any and all such moneys due under any Account, Instrument, General Intangible or Contract or with respect to any other Collateral whenever payable;

(ii) to pay or discharge taxes and Liens levied or placed on or threatened against the Collateral (other than Permitted Liens), to effect any repairs or any insurance called for by the terms of this Security Agreement and to pay all or any part of the premiums therefor and the costs thereof;

(iii) upon the occurrence and during the continuance of any Event of Default, (A) to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Agent or as the Agent shall direct; (B) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (C) to sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection

with any of the Collateral; (D) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any proceeds thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against the Borrower with respect to any Collateral; (F) to settle, compromise or adjust any suit, action or proceeding described in clause (E) above and, in connection therewith, to give such discharges or releases as the Agent may deem appropriate; (G) to assign any Patent or Trademark (along with the goodwill of the business to which any such Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Agent shall in its sole discretion determine; and (H) to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Agent were the absolute owner thereof for all purposes, and to do, at the Agent's option and the Borrower's expense, at any time, or from time to time, all acts and things which the Agent deems necessary to protect, preserve or realize upon the Collateral and the Agent's and the Banks' Liens thereon and to effect the intent of this Security Agreement, all as fully and effectively as the Borrower might do; and

(iv) file such UCC financing Statements forms and similar instruments as the Agent may from time to time deem reasonably necessary or desirable to protect the security interests of the Banks and the other holders of the Obligations.

The Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

(b) Other Powers. The Borrower also authorizes the Agent, the Banks and the other holders of the Obligations, at any time and from time to time, to execute, in connection with the sale provided for in Section 8 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(c) No Duty on Agent or Holders' Part. The powers conferred on the Agent, the Banks and the other holders of the Obligations hereunder are solely to protect the Agent's and the Banks' interests in the Collateral and shall not impose any duty upon the Agent or any Bank to exercise any such powers. The Agent, the Banks and the other holders of the Obligations shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to the Borrower for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

7. Performance by Agent of Borrower's Obligations. If the Borrower fails to perform or comply with any of its agreements contained herein and the Agent, as provided for by the terms of this Security Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of the Agent incurred in connection with such performance or compliance, together with interest thereon at a rate per

annum equal to the Default Rate, shall be payable by the Borrower to the Agent on demand and shall constitute Obligations secured hereby.

8. Remedies.

(a) If an Event of Default shall occur and be continuing and all applicable notice and cure periods shall have expired, the Agent, on behalf of the holders of the Obligations may exercise, in addition to all other rights and remedies granted to them in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code. Without limiting the generality of the foregoing, the Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Borrower or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Agent, any Bank or any of the other holders of the Obligations or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Any holder of the Obligations shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Borrower, which right or equity is hereby waived or released. The Borrower further agrees, at the Agent's request, to assemble the Collateral and make it available to the Agent at places which the Agent shall reasonably select, whether at the Borrower's premises or elsewhere. The Agent shall apply the net proceeds (to the extent actually received in cash) of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the holders of the Obligations hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Agent may elect, and only after such application and after the payment by the Agent of any other amount required by any provision of law, including, without limitation, Section 9615 of the Code, need the Agent account for the surplus, if any, to the Borrower. To the extent permitted by applicable law, the Borrower waives all claims, damages and demands it may acquire against any holders of the Obligations arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition. The Borrower shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorneys employed by the Agent, any Bank or any of the other holders of the Obligations to collect such deficiency.

(b) The Borrower agrees, upon the occurrence and during the continuation of an Event of Default, to take any actions that the Agent may reasonably request in order to enable the

Agent to obtain and enjoy the full rights and benefits granted to the Agent (for itself and for the ratable benefit of the holders of the Obligations) under this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, the Borrower shall upon the occurrence and during the continuation of an Event of Default, at the Borrower's sole cost and expense, assist in obtaining all approvals which are then required by law for or in connection with any action or transaction contemplated by this Agreement or Article 9 of the Uniform Commercial Code as in effect in any applicable jurisdiction.

9. Limitation on Duties Regarding Preservation of Collateral. The Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9207 of the Code or otherwise, shall be to deal with it in the same manner as the Agent deals with similar property for its own account. No holder of any Obligation, nor any of their respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Borrower or otherwise.

10. Powers Coupled with an Interest. All authorizations and agencies herein contained with respect to the Collateral are irrevocable and powers coupled with an interest.

11. Severability. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Paragraph Headings. The paragraph headings used in this Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

13. No Waiver; Cumulative Remedies. No holder of any Obligation shall by any act (except by a written instrument pursuant to Section 14 hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the any holder of the Obligations, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any holder of any Obligations of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which such holder would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

14. Waivers and Amendments; Parties Bound; Governing Law. None of the terms or provisions of this Security Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Borrower and the Agent, provided that



any provision of this Security Agreement may be waived by the Agent in a written letter or agreement executed by the Agent or by facsimile transmission from the Agent. This Security Agreement shall be binding upon the successors and permitted assigns of the Borrower and all Persons who become bound as Borrower or grantor under this Security Agreement, and shall inure to the benefit of the Agent and the Banks and their respective successors and assigns. **THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE SUBSTANTIVE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA.**

15. Notices. All notices hereunder to the Borrower, the Agent or any of the Banks to be effective shall be in writing (including by facsimile), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered or sent in the manner and to the respective addresses as provided in subsection 9.2 of the Credit Agreement.

16. Authority of Agent. The Borrower acknowledges that the rights and responsibilities of the Agent under this Security Agreement with respect to any action taken by the Agent or the exercise or non-exercise by the Agent of any option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Security Agreement shall, as between the Agent and the holders of the Obligations, be governed by the Credit Agreement and by such other agreement with respect thereto as may exist from time to time among them, but, as between the Agent and the Borrower, the Agent shall be conclusively presumed to be acting as agent for the holders of the Obligations with full and valid authority so to act or refrain from acting, and the Borrower shall not be under any obligation, or entitlement, to make any inquiry respecting such authority.

17. Submission to Jurisdiction; Waivers.

(a) The Borrower hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Security Agreement, or for recognition and enforcement of any judgment in respect thereof to the non-exclusive general jurisdiction of the courts of the Commonwealth of Pennsylvania, the courts of the United States of America for the Eastern District of Pennsylvania, and appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts, and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the address set forth in the Credit Agreement or at such other address of which the Agent shall have been notified;

(iv) waives and hereby acknowledges that it is estopped from raising any objections based on forum non conveniens, any claim that any of the above-referenced courts lack proper venue or any objection that any of such courts lack personal jurisdiction over it so as to prohibit such courts from adjudicating any issues raised in a complaint filed with such courts against the Borrower concerning this Security Agreement;

(v) acknowledges and agrees that the choice of forum contained in this paragraph shall not be deemed to preclude the enforcement of any judgment contained in any forum or the taking of any action under this Security Agreement to enforce the same in any appropriate jurisdiction;

(vi) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this subsection any special, exemplary or punitive or consequential damages; and

(vii) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

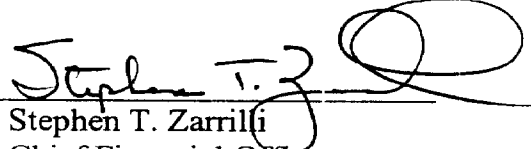
**(b) The Borrower hereby unconditionally waives trial by jury in any legal action or proceeding referred to in paragraph (a) above.**

18. Counterparts. This Security Agreement may be executed by one or more of the parties to this Security Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Security Agreement signed by all the parties shall be lodged with the Borrower and each of the Banks.

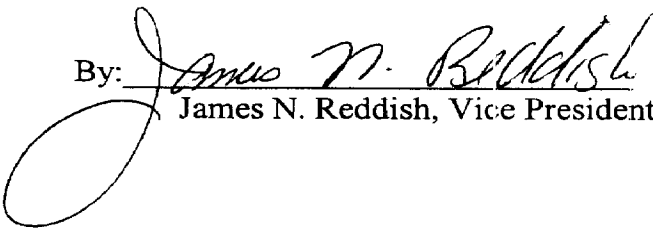
19. Further Assurances. The parties acknowledge their intent that, upon the occurrence and during the continuation of an Event of Default, the Agent shall receive, to the fullest extent permitted by all Requirements of Law and governmental policy, all rights necessary or desirable to obtain, use or sell the Collateral, and to exercise all remedies available to it under this Agreement, the Uniform Commercial Code as in effect in any applicable jurisdiction, or other applicable law. The parties further acknowledge and agree that, in the event of any change in law or governmental policy occurring subsequent to the date hereof that affects in any manner the Agent's rights of access to, or use or sale of, the Collateral, or the procedures necessary to enable the Agent to obtain such rights of access, use or sale, the Agent and the Borrower shall amend this Agreement in such manner as the Agent shall request, in order to provide to the Agent such rights to the greatest extent possible consistent with all Requirements of Law and governmental policy.

IN WITNESS WHEREOF, the Borrower and the Agent have caused this Security Agreement to be duly executed and delivered as of the date first above written.

**FIBERLINK COMMUNICATIONS CORPORATION**

By:   
Name: Stephen T. Zarrilli  
Title: Chief Financial Officer

**COMERICA BANK -- CALIFORNIA, as Agent**

By:   
James N. Reddish, Vice President

SCHEDULE I  
PATENTS AND PATENT LICENSES,  
COPYRIGHTS AND COPYRIGHT LICENSES

1. U.S. Provisional Patent Application  
Subject Matter: utility  
Title: Wireless Access System, Method and Computer Program Product  
Docket Number: 211950U5-17PROV  
Reference Number: 213323US-231323-231323-17 PROV  
Date: August 27, 2001
  
2. U.S. Provisional Patent Application  
Subject Matter: utility  
Title: Wireless Access System, Method and Computer Program Product  
Docket Number: 21332305-17PROV  
Reference Number: 214262US-231323-231323-8 PROV  
Date: September 28, 2001

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SCHEDULE II  
TRADEMARKS AND TRADEMARK LICENSES

U.S. Registered trademark in the name "FIBERLINK"- registration number 2,077,100

U.S. Trademark Application in the name "VPENTERPRISE" – application pending, serial number 78/015,097

U.S. Trademark Application in the name "VPENTERPRISE" – application pending, serial number 76/326,743

U.S. Trademark Application in the name "ENTERPRISING THE INTERNET" – application pending, serial number 76/207,310

Fiberlink Communications Corporation licenses authentication process software from GRIC Communications, Inc. pursuant to an agreement dated June 11, 2000.

Fiberlink Communications Corporation licenses DSL firewall hardware and software and the trademarks associated with that hardware and software from Watchguard Technologies, Inc., pursuant to an agreement dated December 22, 2000.

SCHEDULE III TO  
Security Agreement

LOCATIONS OF ACCOUNT RECORDS

Fiberlink Communications  
794 Penllyn Pike  
Suite 100  
Blue Bell, PA 19422

SCHEDULE IV TO  
Security Agreement

LOCATIONS OF INVENTORY RECORDS

Fiberlink Communications  
794 Penllyn Pike  
Suite 100  
Blue Bell, PA 19422

SCHEDULE V TO  
Security Agreement

LOCATIONS OF INVENTORY

N/A  
No Inventory



SCHEDULE VI TO  
Security Agreement

LOCATIONS OF EQUIPMENT

794 Penllyn Pike  
Suite 100  
Blue Bell, PA 19422

111 Pacifica  
Suite 120  
Irvine, CA 92618

1 Sansome Center  
1 Sansome St.  
Suite 2000  
San Francisco, CA 94104

303 Almaden Blvd.  
Suite 637  
San Jose, CA 95110

100 River Ridge  
Suite 201  
Norwood, MA 02062

1750 Tysons Blvd.  
4<sup>th</sup> Floor  
McLean, VA 22102

6750 West Loop South  
Suite 500  
Houston, TX 77401

9800 Mt. Pyramid Ct.  
Suite 400  
Englewood, CO 80112

Rainier Plaza Center  
777 108<sup>th</sup> Ave. NE  
6<sup>th</sup> Floor  
Bellevue, WA 98004

74 Trinity Place  
New York, NY 10006

7047 E. Greenway Parkway  
Suite 250  
Scottsdale, AZ 85254

Atrium II  
5455 Rings Rd.  
Suite 100  
Dublin, OH 43017

Crown Centre 1  
Suite 600  
5005 Rockside Rd.  
Independence, OH 44131

Perimeter Center  
1117 Perimeter Center W  
Suite 500  
Atlanta, GA 30338

2655 Le Jeune Rd.  
Suite 308  
Coral Gables, FL 33134

200 North Nash St.  
El Segundo, CA 90245

Exodus Communications  
Unit 5-7  
Cage #8-I01

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900 Coronation Rd.  
London, UK NW10 7PQ

**SCHEDULE VII TO  
Security Agreement**

**LOCATIONS OF CHIEF EXECUTIVE OFFICE, STATE OF ORGANIZATION**

**Chief Executive Office: 794 Penllyn Pike  
Blue Bell, PA 19422**

**Chief Place of Business: 794 Penllyn Pike  
Blue Bell, PA 19422**

**Form of and Place of Organization: C Corp in PA**