Electronic Version v1.1 Stylesheet Version v1.1

SUBMISSION TYPE: **NEW ASSIGNMENT**

SECURITY INTEREST NATURE OF CONVEYANCE:

CONVEYING PARTY DATA

| Name | Formerly | Execution Date | Entity Type |
|-----------------------------------|----------|----------------|-----------------------|
| ITC^DeltaCom Communications, Inc. | | 07/26/2005 | CORPORATION: DELAWARE |

RECEIVING PARTY DATA

| Name: | TCP Agency Services, LLC |
|-------------------|-------------------------------------|
| Street Address: | 2951 28th Street |
| Internal Address: | Suite 1000 |
| City: | Santa Monica |
| State/Country: | CALIFORNIA |
| Postal Code: | 90405 |
| Entity Type: | Limited Liability Company: DELAWARE |

PROPERTY NUMBERS Total: 4

| Property Type | Number | Word Mark | |
|----------------------|----------|--------------------------------|--|
| Registration Number: | 2900348 | EVERYBODY'S TALKING | |
| Serial Number: | 76463744 | GRAPEVINE | |
| Serial Number: | 76463530 | GRAPEVINE EVERYBODY'S TALKING. | |
| Serial Number: | 76614474 | THINK OUTSIDE THE BELL | |

CORRESPONDENCE DATA

Fax Number: (212)822-5423

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 212-530-5423 Email: jnici@milbank.com

Correspondent Name: Milbank, Tweed, Hadley & McCloy LLP

One Chase Manhattan Plaza Address Line 1:

Rm. 4680 Address Line 2:

New York, NEW YORK 10005-1413 Address Line 4:

REEL: 003132 FRAME: 0497

TRADEMARK

900029340

| i. | |
|---|--------------|
| NAME OF SUBMITTER: | Janis Nici |
| Signature: | /janis nici/ |
| Date: | 08/02/2005 |
| Total Attachments: 12 source=ITC TCP SA#page1.tif source=ITC TCP SA#page2.tif source=ITC TCP SA#page3.tif source=ITC TCP SA#page4.tif source=ITC TCP SA#page5.tif | |
| source=ITC TCP SA#page6.tif source=ITC TCP SA#page7.tif source=ITC TCP SA#page8.tif source=ITC TCP SA#page9.tif source=ITC TCP SA#page10.tif source=ITC TCP SA#page11.tif | |

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT made as of this 26th day of July, 2005 (the "Agreement").

By and among:

The Issuer (as defined herein),
Parent (as defined herein)
The Subsidiary Guarantors (as defined herein)
-andCollateral Agent (as defined herein)

WHEREAS, in accordance with the SECURITY AGREEMENT, dated as of July 26, 2005 (the "Security Agreement"), by and among Interstate FiberNet, Inc., a Delaware corporation (the "Issuer"), ITC^DeltaCom, Inc., a Delaware corporation ("Parent"), the Subsidiary Guarantors party thereto from time to time (each, a "Subsidiary Guarantor" and collectively, the "Subsidiary Guarantors", and the Subsidiary Guarantors together with the Issuer and Parent, the "Obligors"), and TCP Agency Services, LLC, a Delaware limited liability company, as collateral agent (together with its successors in such capacity, the "Collateral Agent") for the Secured Parties, the Obligors have agreed to grant to the Collateral Agent a continuing security interest in, among other things, the Copyright Collateral, the Patent Collateral and the Trademark Collateral (each as defined herein).

NOW THEREFORE, in consideration of good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties agree as follows:

- 1. Unless the context otherwise requires, all capitalized terms used but not defined herein shall have the meanings set forth in the Security Agreement. As used herein, the following terms shall have the following meanings:
- "Copyright Collateral" means all Copyrights, whether now owned or hereafter acquired by any Obligor, including, without limitation, each Copyright identified on Schedule 1 hereto.
- "Copyrights" means all copyrights, copyright registrations and applications for copyright registrations, including, without limitation, all renewals and extensions thereof, the right to recover for all past, present and future infringements thereof, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto.
- "<u>Patent Collateral</u>" means all Patents, whether now owned or hereafter acquired by any Obligor, including without limitation each Patent identified on Schedule 2 hereto.
- "<u>Patents</u>" means all patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein together with the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, the right to sue for past, present and future infringements thereof, and all rights corresponding thereto throughout the world.
- "[rademark Collateral" means all Trademarks, whether now owned or hereafter acquired by any Obligor, including without limitation each Trademark identified on Schedule 3 hereto. Notwithstanding

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the foregoing, the Trademark Collateral does not and shall not include any Trademark that would be rendered invalid, abandoned, void or unenforceable by reason of its being included as part of the Trademark Collateral.

"Irademarks" means all trade names, trademarks and service marks, logos, trademark and service mark registrations, and applications for trademark and service mark registrations, including, without limitation, all renewals of trademark and service mark registrations, all rights corresponding thereto throughout the world, the right to recover for all past, present and future infringements thereof, all other rights of any kind whatsoever accruing thereunder or pertaining thereto, together, in each case, with the product lines and goodwill of the business connected with the use of, and symbolized by, each such trade name, trademark and service mark.

- 2. As collateral security for the prompt payment or performance in full when due, whether at stated maturity, by acceleration or otherwise (including, without limitation, the payment of amounts that would become due but for the operation of the automatic stay under Section 362(c) of the Bankruptcy Code), of the Secured Obligations, whether now existing or hereafter from time to time arising, each Obligor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in all of such Obligor's right, title and interest in, to and under the Copyright Collateral, the Patent Collateral and the Trademank Collateral.
- 3. This Agreement is made to secure the satisfactory performance and payment of all the Secured Obligations. Upon termination of the Security Agreement or release of an Obligor's obligations thereunder, the Collateral Agent shall, upon such satisfaction, execute, acknowledge, and deliver to the Obligors or an Obligor, as the case may be, (a) an instrument in writing releasing the security interest in the Copy ight Collateral, the Patent Collateral and the Trademark Collateral acquired under this Agreement and (b) such other documents as shall be reasonably requested by the Obligors or an Obligor, as the case may be, to effect the termination and release of the security interest in the Copyright Collateral, the Patent Collateral and the Trademark Collateral. Additionally, upon such satisfaction, the Collateral Agent shall reasonably cooperate with any efforts made by an Obligor to make of record or otherwise: confirm such satisfaction including, but not limited to, the release and/or termination of this Agreement and any security interest in, to or under the subject collateral.
- 4. The security interest in this Agreement has been granted as a supplement to, and not in limitation of, the security interest granted to the Collateral Agent under the Security Agreement. The Security Agreement (and all rights and remedies of the Collateral Agent) shall remain in full force and effect in accordance with its terms. The rights and remedies of the Collateral Agent with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference.
- 5. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

PA1:#2401: 596v3

INTERSTATE FIBERNET, INC, as Issuer

Name: Richard R. Figh

Title: Chief Financial Officer

ITC^DELTACOM, INC., as Parent

Name: Richard E. Fish

Title: Chief Financial Officer

ITC^DELTACOM COMMUNICATIONS, INC., as

Obligor and Subsidiary Guarantor

Title: Chief Financial Officer

Address for Notices:

7037 Old Madison Pike, Suite 400

Huntsville, AL 35806

Attn: Chief Financial Officer

DELTACOM INFORMATION SYSTEMS, INC., as

Obligor and Subsidiary Guarantor

Title: Chief Financial Officer

Address for Notices:

7037 Old Madison Pike, Suite 400

Huntsville, AL 35806

Attn: Chief Financial Officer

BTI TELECOM CORP., as Obligor and Subsidiary Guarantor

Title: Chief Financial Officer

Address for Notices:

7037 Old Madison Pike, Suite 400 Huntsville, AL 35806

Attn: Chief Financial Officer

BUSINESS TELECOM, INC., as Obligor and Subsidiary Guarantor

Title: Chief Financial Officer

Address for Notices:

7037 Old Madison Pike, Suite 400

Huntsville, AL 35806

Attn: Chief Financial Officer

BUSINESS TELECOM OF VIRGINIA, INC., as Obligor and Subsidiary Guaranter

By ____

Name: Richard E. Fish Title: Chief Financial Officer

Address for Notices:

7037 Old Madison Pike, Suite 400 Huntsville, AL 35806 Attn: Chief Financial Officer

Accepted and agreed:

TCF AGENCY SERVICES, LLC

Tennenbaum Capital Partners, LLC By:

Its: Managing Member Tennenbaum & Co., LLC By: Its: Managing Member

Nan E: Howard M. Levkowitz

Title: Managing Partner

[Signature Page for First Lien IP Security Agreement]

SCHEDULE 1

COPYRIGHT COLLATERAL

| /yuthor/Claimant | Title | Registration Number | Date Created Published Registration |
|--|--|---------------------|-------------------------------------|
| Interstate FiberNet, Inc. | ADVANCED wireless solutions | TX4680412 | 1997 |
| *Acquired by merger with AvData Systems in 1999 | | | 03/01/1997 |
| | | | 06/09/1997 |
| Intersta e FiberNet, Inc. | Advanced enterprise solutions: AvData's | TX4643784 | 1997 |
| *Acquired by merger with | levels of network | | 07/01/1997 |
| AvData Systems in 1999 | management services. | | 07/21/1997 |
| Intersta e FiberNet, Inc. | Frame relay: Know the right questions before | TX4583918 | 1997 |
| *Acquired by merger with AvData Systems in 1999 | making the investment. | | 03/01/1997 |
| 111Data Systems in 1999 | mvosumont. | | 06/09/1997 |
| Intersta e FiberNet, Inc. | The NPCS Network Challenge | TX4601538 | 1997 |
| *Acqui ed by merger with AvData Systems in 1999 | | | 02/01/1997 |
| Avbada Systems in 1979 | | | 06/09/1997 |

SCHEDULE 2

PATENT COLLATERAL

NONE

SCHEDULE 3

TRADEMARK COLLATERAL

| <u>O</u> wner | <u>Trademark</u> (all U.S.) | Reg. No. / Serial No. | Registration Date/ Filing Date | Date Affidavit of Use and/or Renewal is Due; whether the Affidavit of Use and/or Renewal has been filed |
|---------------------------------------|---|--------------------------|-----------------------------------|---|
| ITC^ Delta Com, Inc. | DELTACOM (Classes 38 and 42) | 2,071,650 | 06/17/1997 | Renewal and Affidavit of Use due 06/17/2007. |
| ITC^Delta(lom, Inc. | DELTACOM (& Design) (Classes 38 and 42) | 2,071,715 | 06/17/1997 | Renewal and Affidavit of Use due 06/17/2007. |
| ITC^Delta(Com, Inc. | ITC^DELTACOM (Class 38) | 2,405,331 | 11/21/2000 | Affidavit of Use due 11/21/06; Renewal and Affidavit of Use due 11/21/10. |
| ITC^Delta-lom, Inc. | ITC^DELTACOM (Class 42) | 2,405,335 | 11/21/2000 | Affidavit of Use due 11/21/06; Renewal and Affidavit of Use due 11/21/10. |
| ITC^Delta Com, Inc. | ITC DELTACOM (& Design) (Class 38) | 2,407,859 | 11/28/2000 | Affidavit of Use due 11/28/06; Renewal and Affidavit of Use due 11/28/10. |
| ITC^Delta Com, Inc. | ITC DELTACOM (& Design) (Class 42) | 2,407,860 | 11/28/2000 | Affidavit of Use due 11/28/06; Renewal and Affidavit of Use due 11/28/10. |
| ITC^Delta Com, Inc. | E^COM (Classes 37, 38 and 42) | 76/010,576 | 03/27/2000 | Renewal and Affidavit of Use due 09/8/10. |
| ITC^Delta Com, Inc. | E^DELTACOM (Classes 37, 38 and 42) | 2,528,538 | 01/08/2002 | Affidavit of Use due 01/08/08; Renewal and Affidavit of Use due 01/08/12. |
| ITC^Delta Com Communications, Inc. | EVERYBODY'S TALKING (Class 38) | 2,900,348 | 11/01/2004 | Renewal and Affidavit of use due 05/02/10. |
| ITC^Delta Com Communications, Inc. | GRAPEVINE (Class 38) | 76/463,744 | 11/01/2002 | Lost on appeal. |
| ITC^Delta Com Communications, Inc. | GRAPEVINE EVERYBODY'S TALKING (Class 38) | 76/463,530 | 11/01/2002 | Abandoned. |
| Interstate l'iberNet, Inc. | SCIENTIFIC TELECOM (& Design) (Classes 37, 38 and 42) | 1,348,561 | 07/09/1985 | Abandoned. |
| Interstate l'iberNet, Inc. | AVDATA (Class 37) | 2,158,977 | 05/19/1998 | Abandoned. |

| <u>Ovner</u> | <u>Trademark</u> (all U.S.) | Reg. No. / Serial No. | Registration Date/ Filing Date | Date Affidavit of Use and/or Renewal is Due; whether the Affidavit of Use and/or Renewal has been filed |
|---------------------------|---|--------------------------|-----------------------------------|--|
| Interstate F berNet, Inc. | AVDATA (Class 42) | 2,202,649 | 11/10/1998 | Abandoned. |
| Interstate F berNet, Inc. | AVDATA (& Design) (Class 37) | 2,160,578 | 05/26/1998 | Abandoned. |
| Interstate F berNet, Inc. | AVDATA (& Design) (Class 42) | 2,203,677 | 11/17/1998 | Abandoned. |
| Business Telecom, Inc. | BTI (& Design) Classes 36, 38 and 42) | 76/217,203 | 02/27/2001 | Abandoned pursuant to Settlement Agreement with British Telecommunications. |
| Business T :lecom, Inc | BTl (Classes 36, 38 and 42) | 2,427,897 | 02/13/2001 | Affidavit of Use due 02/13/07; Renewal and Affidavit of Use due 02/13/11. |
| Business T rlecom, Inc. | BTI TELECOMMUNICATION S SERVICES (& Design) (Classes 36, 38 and 42) | 2,461,862 | 06/19/2001 | Affidavit of Use due 06/19/07; Renewal and Affidavit of Use due 06/19/11. |
| Business T :lecom, Inc. | BTINET (Classes 38 and 42) | 2,426,407 | 02/06/2001 | Affidavit of Use due 02/06/07; Renewal and Affidavit of Use due 02/06/11. Will abandon pursuant to Settlement Agreement with British Telecommunications. |
| Business T elecom, Inc. | BTINET (& Design) (Classes 38 and 42) | 76/135,109 | 09/25/2000 | Abandoned pursuant to Settlement Agreement with British Telecommunications. |
| Business Telecom, Inc. | CLIENTEL (Class 38) | 2,137,742 | 02/17/1998 | Abandoned. |
| Business Telecom, Inc. | D.S. LYNX (& Design) (Class 38) | 2,429,877 | 02/20/2001 | Affidavit of Use due 02/20/07; Renewal and Affidavit of Use due 02/20/11. |
| Business 7 elecom, Inc. | D.S. LYNX (Class 38) | 2,533,513 | 01/29/2002 | Affidavit of Use due 01/29/08; Renewal and Affidavit of Use due 01/29/12. |
| Business 7 elecom, Inc. | FAMILY VALUES (Class 38) | 2,134,879 | 02/03/1998 | Abandoned. |
| Business 7 elecom, Inc. | FOUNDATIONS (Class 38) | 2,137,741 | 02/17/1998 | Abandoned. |
| Business 7 elecom, Inc. | HOSPITALITY SUITE (Class 38) | 2,134,878 | 02/03/1998 | Abandoned. |
| Business 7 elecom, Inc. | INVOICE ONLINE (& Design) (Class 36) | 2,577,608 | 06/11/2002 | Affidavit of Use due 06/11/08; Renewal and Affidavit of Use due 06/11/12. |

| O vner | <u>Trademark</u> (all U.S.) | Reg. No. / Serial No. | Registration Date/ Filing Date | Date Affidavit of Use and/or Renewal is Due; whether the Affidavit of Use and/or Renewal has been filed |
|--|---|--------------------------|-----------------------------------|--|
| Business Tolecom, Inc. | MARKET VALUES (Class 38) | 2,134,877 | 02/03/1998 | Abandoned. |
| Business Tolecom, Inc. | MAX COMMERCE (Classes 35 and 42) | 2,563,320 | 04/23/2002 | Affidavit of Use due 04/23/08; Renewal and Affidavit of Use due 04/23/12. |
| Business T :lecom, Inc. | MAX COMMERCE A BTI COMPANY (& Design) (Classes 35 and 42) | 2,561,449 | 04/16/2002 | Affidavit of Use due 04/16/08; Renewal and Affidavit of Use due 04/16/12. |
| Business Telecom, Inc. | MEXICO EXPRESO (Class 36) | 2,224,055 | 02/16/1999 | Abandoned. |
| Business T elecom, Inc. [Owner in PTO database is listed as Radio | OPTIMIZER (Class 9) | 2,357,649 | 06/13/2000 | Affidavit of Use due 06/13/06; Renewal and Affidavit of Use due 06/13/10. |
| Business Telecom, Inc. | SIMPLICI-T (& Design) (Class 38) | 2,711,255 | 04/29/2003 | Affidavit of Use due 04/29/09; Renewal and Affidavit of Use due 04/29/13. |
| Business Telecom, Inc. | SMARTER.FASTER. BETTER. | 2,134,895 | 02/03/1998 | Abandoned. |
| Business 7 elecom, Inc. | TELECOM SIMPLIFIED | 76/488,925 | 02/10/2003 | Petition to revive abandoned application filed March 17, 2005. |
| Business 7 elecom, Inc. | THE FASTEST CAT ON THE NET | 2,581,457 | 06/18/2002 | Affidavit of Use due between 06/18/07 and 06/18/08; Renewal and Affidavit of Use due 06/18/12. |
| Business Telecom, Inc. | US DATACOM (Stylized) | 76/135,122 | 09/25/2000 | Abandoned. |
| Business Telecom, Inc. | VOICEPACK | 2,874,175 | 08/17/2004 | Affidavit of Use due 2/7/10. |
| ITC^Delta Com Communications, Inc. | THINK OUTSIDE THE BELL | 76614474 | 10/01/04 | Pending. |

RECORDED: 08/02/2005