

01-04-1999

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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To the Honorable Commissioner of



100934922

Final documents or copy thereof.

1. Name of conveying party(ies):

Unitel Corporation
8300 Greensboro Drive
6th Floor
McLean, VA 22102

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State Virginia
☐ Other

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

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other

Execution Date: September 30, 1998

Receiving party(ies):
Name: Allied Capital Corporation

Internal Address: Suite 901

Street Address: 1666 K Street, N.W.

City: Washington State: DC ZIP: 20006

- ☐ Individual(s) citizenship
☐ Association
☐ General Partnership
☐ Limited Partnership
☒ Corporation-State D.C.
☐ 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

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

75/274,737

B. Trademark registration

1,987-084

12-16-1998

Additional numbers attached? ☐ Yes ☐ No

U.S. Patent & TMO/TM Mail Rcpt Dt #01

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Karen C. Maher

Internal Address: Piper & Marbury LLP

Street Address: 1200 Nineteenth St.,
Washington, D.C. N.W.

City: State: ZIP: 20036

6. Total number of applications and registrations involved:

2

7. Total fee (37 CFR 3.41): \$ 65.00

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

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.

Karen C. Maher

Name of Person Signing

Signature

Date

12-14-98

Total number of pages comprising cover sheet:

1

OMB No. 0651-0011 (exp. 4/94)

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TRADEMARK
REEL: 1833 FRAME: 0964

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is made as of the 30th day of September, 1998 by UNITEL CORPORATION, a Virginia corporation ("Unitel") and ACCESS AMERICA TELESERVICES, INC., a Delaware corporation ("Access"), each with a business address of 8300 Greensboro Drive, Sixth Floor, McLean, Virginia 22102 (Access and Unitel are referred to individually herein as "Borrower" and collectively as "Borrowers"), in favor of ALLIED CAPITAL CORPORATION ("Holder").

RECITAL:

Pursuant to an investment agreement between Holder and Borrowers dated of even date herewith (the "Investment Agreement") Holder has agreed to invest up to an aggregate amount of \$6,000,000 in Borrowers, requiring as a condition thereto that Borrowers enter into this Security Agreement and otherwise agree to the terms contained herein.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrowers hereby agree in favor of the Holder as follows:

ARTICLE I: INVESTMENT AGREEMENT; DEFINITIONS

1.01 Incorporation by Reference. This Agreement is entered into pursuant to the terms and conditions of the Investment Agreement, and each term and condition of the Investment Agreement is hereby incorporated by reference.

1.02 Definitions. Any capitalized term used herein and not otherwise defined herein shall have the meaning given to it in the Investment Agreement.

ARTICLE II: GRANT OF SECURITY INTEREST

2.01 Grant. As security for the payment and performance of each of the Obligations, Borrowers hereby grant to Holder a continuing security interest in all of the Collateral.

2.02 Rights of Holder as Secured Party. In addition to the rights and remedies granted to Holder herein and in the other Investment Documents, and subject to the Subordination Agreement, Holder shall have all of the rights and remedies of a secured party under the Applicable UCC with respect to all of the Collateral.

ARTICLE III: REPRESENTATIONS AND WARRANTIES

To induce Holder to enter into the transactions contemplated by the Investment Documents, Borrowers jointly and severally represent and warrant to Holder as follows (which representations and warranties shall survive the execution and delivery of this Agreement and the funding of the Investment):

3.01 Title to Collateral; Priority of Security Interest. Each Borrower has full, complete, indefeasible and marketable title to all of the Collateral it purports to own absolutely free and clear of any claims, defects, liens, security interests, pledges, title retention agreements or other encumbrances other than the Permitted Encumbrances. Except as set forth on Schedule 3.01 hereto, no Uniform Commercial Code ("UCC") Financing Statement that names either Borrower as a debtor or which lists any of the Collateral as collateral (other than those naming the Holder as the secured party) has been filed in any place, and neither Borrower has signed any financing statement or any security agreement authorizing any other secured party thereunder to file any such financing statement. The liens and security interests granted to Holder under this Agreement have the priority indicated in the Investment Agreement.

3.02 Mailing Address; Chief Executive Office; Principal Place of Business. The address for Borrowers on the first page of this Agreement is Borrowers' correct mailing address, the address of Borrowers' chief executive office, and the address of Borrowers' principal place of business. The only other address at which either Borrower has ever had a chief executive office or principal place of business is 8301 Greensboro Drive, McLean, Virginia 22102.

3.03 Other Names. Other than Unitel's change of name from Unitel, Inc. to Unitel Corporation in 1996, neither Borrower has changed its name or used any other name or any trade name within the 12 years immediately preceding the date of this Agreement.

3.04 Location of Goods and Inventory. Except as set forth on Schedule 3.04 hereto, all of the Goods and Inventory are located only at the Real Property, and none of the Goods or Inventory is stored with, or in the possession of, any bailee, warehouseman, subcontractor, or other similar Person.

3.05 Perfection Certificate. The information contained in the perfection certificate attached hereto as Exhibit A (the "Perfection Certificate") is true, accurate and complete in all respects.

3.06 Intellectual Property. As of the date of this Agreement, neither Borrower has any Intellectual Property other than that listed in the Perfection Certificate, and neither Borrower has any patents or trademarks issued by, or the subject of pending applications in, the United States Patent and Trademark Office or any similar office or agency in the United States or

any other country, other than those described in the Perfection Certificate. Neither Borrower has abandoned any pending patent or trademark application.

ARTICLE IV: COVENANTS

Until the Debentures are repaid in full and each of the other Obligations has been satisfied in full and discharged, Borrowers jointly and severally covenant and agree with Holder as follows:

4.01 Offices. Each Borrower shall maintain its chief executive office and principal place of business at the address for such Borrower on the first page of this Agreement and shall not change the location of its chief executive office or principal place of business without providing Holder with 30 days prior written notice thereof.

4.02 Books and Records.

(a) Each Borrower will keep and maintain, at its own cost and expense, satisfactory and complete books and records of and with respect to the Collateral owned by such Borrower, including records of the status of any pending applications for Intellectual Property;

(b) Each Borrower shall keep all books and records relating to the Collateral owned by such Borrower at its principal place of business or at the Real Property owned or occupied by such Borrower.

(c) Holder shall at all reasonable times upon reasonable prior written notice during regular business hours, at intervals to be determined by Holder, before or after the occurrence of an Event of Default, and without hindrance or delay, have full and free access to the above-referenced books and records and any other data relating to the Collateral and the right at all reasonable times to examine the same and to audit, inspect, verify, check and make extracts or photocopies therefrom;

(d) Holder shall have the right, at the reasonable cost and expense of Borrowers, to audit the books and records of Borrowers concerning the Collateral and to require Borrowers to procure and, following the occurrence of an Event of Default, deliver to Holder, at Borrowers' own cost and expense, all reports and information pertaining to the Collateral and to such portion of the financial condition and business operations of Borrowers as Holder may reasonably deem necessary; and

(e) Subject to the Subordination Agreement, Holder shall have a property interest in all books and records of Borrowers pertaining to the Collateral and, at any time, upon the reasonable request of Holder following the occurrence of an Event of Default, Borrowers shall, at their own cost and expense, deliver true and complete copies of all such

books or records to Holder or its designated representative and shall deliver to Holder or its designated representative all original and other documents evidencing and relating to the Collateral.

4.03 Equipment. Borrowers shall use the Equipment solely in the conduct of their business and in a careful and proper manner. Borrowers shall keep all of the Equipment at their principal place of business or at the Real Property and shall not change the location of any material portion of the Equipment without providing Holder with 30 days prior written notice thereof.

4.04 Goods and Inventory. Borrowers shall store all of the Goods and all of the Inventory in a careful, secure and proper manner at their principal place of business or at the Real Property and shall not change the location of any material amount of the Goods or Inventory without providing Holder with 30 days prior written notice thereof.

4.05 No Transfers of Collateral. Notwithstanding that Proceeds are included within the definition of "Collateral" (and therefore subject to Holder's security interest hereby granted), neither Borrower shall Transfer the Collateral or any portion thereof or any interest therein without the prior written consent of Holder, except to the extent expressly permitted by the terms and conditions of the Investment Agreement.

4.06 Liens, Claims and Attachments. Borrowers shall maintain the Collateral free from all claims, liens, encumbrances and legal processes (other than Permitted Encumbrances), and shall notify Holder within two business days after receipt of notice of any lien, attachment or judicial proceeding affecting the Collateral in whole or in part.

4.07 Payment of Taxes, Assessments and Fees. Borrowers shall pay all taxes, assessments and fees relating to the ownership or use of the Collateral or any portion thereof as and when the same shall be due and payable, unless such tax, assessment or fee is being contested in good faith by proceedings being diligently conducted.

4.08 Maintenance, Repairs and Replacements. Borrowers shall keep and maintain, or cause to be kept and maintained, all of the tangible Collateral in good condition, shall provide all reasonable maintenance and service, and make all repairs and replacements reasonably necessary for such purpose. If any parts or accessories forming part of the tangible Collateral become worn out, lost, destroyed, damaged beyond repair or otherwise permanently rendered unfit for use, Borrowers, at their own reasonable expense, shall to the extent necessary for them to conduct their business within a reasonable time replace such parts or accessories or cause the same to be replaced by replacement parts or accessories that have a value and utility at least equal to the parts or accessories replaced. All accessories, parts and replacements for or which are added to or become attached to any of the tangible Collateral shall immediately be deemed incorporated in the tangible Collateral and subject to the security interest granted by Borrowers under the Investment Documents.

4.09 Right to Inspect. Holder shall have the right to inspect all of the tangible Collateral and all maintenance and repair records relating thereto upon reasonable prior written notice and at all reasonable times. If Holder desires to inspect the tangible Collateral or any such records during other than Borrowers' normal hours of operation, then Holder shall provide Borrowers with a minimum of 72 hours prior written notice of such inspection.

4.10 Insurance. At their own reasonable expense, Borrowers shall obtain and maintain "all-risk" insurance covering the tangible Collateral for the full replacement value thereof. The insurance shall be in form and substance, and provided by companies, reasonably satisfactory to Holder. All insurance for loss or damage shall provide that losses, if any, shall be payable jointly to Holder and the appropriate Borrower, subject to the Subordination Agreement. Borrowers shall pay the premiums for all insurance and deliver to Holder the policies of insurance or duplicates thereof, or other evidence reasonably satisfactory to Holder of such insurance coverage. Each insurer shall agree, by endorsement upon the policy or policies issued by it, or by independent instrument furnished to Holder, that: (i) it will give Holder 30 days prior written notice of the effective date of any material alteration or cancellation of such policy; and (ii) the coverage of Holder shall not be terminated, reduced or affected in any manner regardless of any breach or violation by Borrowers of any warranties, declarations or conditions of such insurance policy or policies.

4.11 Application of Insurance Proceeds. The proceeds of the insurance maintained by Borrowers and payable as a result of loss of or damage to any of the tangible Collateral may be applied, subject to the Subordination Agreement, at Borrowers' option: (a) toward the replacement, restoration or repair of the tangible Collateral which may be lost, stolen, destroyed or damaged; or (b) toward payment of any of the Obligations. Subject to the Subordination Agreement, each Borrower irrevocably appoints Holder as its attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks or drafts received in payment for loss or damage under any of these insurance policies.

4.12 Financing Statements; Recording Costs; Possession of Collateral. Borrowers shall promptly execute and deliver to Holder any UCC financing or continuation statement or other documents reasonably required, or procure any documents reasonably required (including UCC termination statements, as necessary), to carry out the transactions contemplated by the Investment Documents and to maintain Holder's perfected security interest in all of the Collateral with the lien priority indicated in the Investment Agreement. Borrowers shall pay all state and local stamp or documentary taxes, recordation and transfer taxes, clerks' fees and filing fees, and all other reasonable costs to record such documents and to perfect and maintain Holder's perfected security interest in all of the Collateral with the lien priority indicated in the Investment Agreement. If any portion of the Collateral is of a type as to which it is necessary or desirable for Holder to take possession of the Collateral in order to perfect, or maintain the priority of, Holder's security interest, then at or prior to Closing, Borrowers shall deliver all such Collateral to Holder, subject to the Subordination Agreement, and, with respect to any such

Collateral acquired by Borrowers after Closing, Borrowers shall promptly deliver same to Holder, subject to the Subordination Agreement. A carbon, photographic, photocopy or other reproduction of a security agreement (including this Agreement) or financing statement shall be sufficient as a financing statement.

4.13 Supporting Materials. Borrowers, upon the reasonable request of Holder, shall provide Holder from time to time with: (a) written statements or schedules identifying and describing the Collateral, and all additions, substitutions, and replacements thereof, in such detail as Holder may require; (b) copies of customers' invoices or billing statements; (c) proof of the sale or lease of goods or evidence of the satisfactory performance of services which gave rise to any Accounts; and (d) such other schedules and information as Holder reasonably may require. The items to be provided under this Section 4.13 shall be in form reasonably satisfactory to Holder and are to be executed and delivered to Holder from time to time solely for Holder's convenience in maintaining records of the Collateral. Borrowers' failure to give any of such items to Holder shall not affect, terminate, modify or otherwise limit Holder's security interest in any of the Collateral.

4.14 No Material Changes. Borrowers shall not make any material change outside the ordinary course of business to the terms of any General Intangible, Chattel Paper, Instrument, or Account (if the Account has a book value equal to or greater than 10% of Borrowers' consolidated annual gross revenues), without the prior written permission of Holder.

4.15 Additional Covenants Relating to Accounts and Chattel Paper.

(a) Upon the request of Holder, Borrowers shall deliver to Holder within 15 calendar days after the last day of each month, a listing and aging report for the Accounts, in form and substance reasonably satisfactory to Holder, together with such other information and financial reports as Holder may request in Holder's reasonable discretion from time to time; and

(b) Upon the reasonable request of Holder, subject to the Subordination Agreement, at any time after the occurrence of an Event of Default, Borrowers shall deposit, or cause to be deposited, all checks, drafts, cash and other remittances in payment of, or on account of payment of, any and all Accounts and Chattel Paper (all of the foregoing herein collectively referred to as "Items of Payment") to an account (the "Collateral Account") designated by Holder at a bank or other financial institution designated by Holder. Holder shall not be responsible for the solvency of any such bank or other financial institution or the management and administration of the Collateral Account. Holder alone shall have the power to access and make withdrawals from the Collateral Account. Borrowers shall deposit such Items of Payment for credit to the Collateral Account within one banking day of the receipt thereof and in precisely the form received, except for the endorsement of either Borrower where necessary to permit the collection of such Items of Payment, which endorsement Borrowers hereby agree to make. Pending such deposit, neither Borrower will commingle any such Items of Payment with

any of its other funds or property or with the funds or property of the other Borrower , but will hold them separate and apart. Holder shall be entitled, from time to time in Holder's discretion, to apply the funds in the Collateral Account against any of the Obligations.

4.16 Additional Covenants Relating to Intellectual Property.

(a) Except in the ordinary course of its business, Borrowers will not Transfer or grant an exclusive or non-exclusive license relating to, or otherwise dispose of any of the Intellectual Property without the prior written consent of Holder, which may not be unreasonably withheld by Holder;

(b) Neither Borrower shall file any application for the issuance of a patent or trademark with the United States Patent and Trademark Office or any similar office or agency in the United States or any other country, unless such Borrower has by prior written notice informed Holder of such action , and, upon request of Holder, such Borrower shall execute and deliver to Holder, subject to the Subordination Agreement, any and all assignments, agreements, instruments, documents and such other papers as may be requested by Holder to effect an assignment of such application to Holder;

(c) Neither Borrower will do any act or omit to do any act, whereby any such patents or trademarks, once granted, may become abandoned or unenforceable, and each Borrower shall notify Holder as soon as reasonably possible if it knows or has reason to know of any reason why any application may become abandoned, invalidated or the subject of any suit; and

(d) Borrowers will render any assistance reasonably necessary to Holder without cost in any proceeding before the United States Patent and Trademark Office or any similar office or agency in the United States or any other country to maintain each application for any patents, copyrights, trademarks or other Intellectual Property, including, without limitation, the filing of all renewals and paying all annuities.

4.17 Notice to Holder; Joinder by Borrowers. Borrowers will promptly notify Holder if either Borrower learns of any unauthorized use or infringement by any Person with respect to any material portion of the Collateral. If requested by Holder, Borrowers, at their expense, shall join with Holder in such action as Holder may reasonably deem advisable for the protection of the perfected security interest of Holder in and to all of the Collateral.

ARTICLE V: INDEMNIFICATION

5.01 Indemnification. Borrowers hereby agree to indemnify, defend and hold Holder harmless jointly and severally from and against any claim, suit, loss, liability, damage or expense (including attorneys' fees and expenses) resulting from or arising out of this Agreement , except for any such claims resulting from the gross negligence or willful misconduct of Holder

(each an "Indemnified Claim"). Any actual or threatened Indemnified Claim may be defended, compromised, settled, or pursued by Holder, subject to the Subordination Agreement, with counsel of Holder's selection, but at the reasonable expense of Borrowers. The obligations contained in this Section 5.01 shall terminate only upon the expiration of the applicable statute of limitations relating to third party claims indemnified and shall survive payment of the Obligations and shall survive any termination, or discharge executed by Holder in favor of Borrowers.

ARTICLE VI: DEFAULT AND REMEDIES

The occurrence of any Event of Default shall constitute an immediate breach of, and default under, this Agreement, entitling Holder to exercise, in addition to those available at law or in equity, all of the following rights and remedies, subject only to the Subordination Agreement:

6.01 Assemble Collateral. Holder may require Borrowers (at their sole expense) to assemble and to forward promptly any or all of the Goods, Equipment, Chattel Paper, and Inventory to Holder at such location(s) as shall be reasonably required by Holder.

6.02 Take Possession. Without breaching the peace, Holder may enter upon the premises where any Goods, Equipment, Chattel Paper or Inventory is located and take immediate possession thereof, by summary proceedings or otherwise, and Holder may remove the Goods, Equipment, Chattel Paper or Inventory, all without liability of Holder to Borrowers for or by reason of such entry, taking of possession or removal, whether for the restoration of damage to property caused by such taking or otherwise.

6.03 Appointment of Receiver. Holder shall be entitled to appointment of a receiver to take possession of and to manage all or any portion of the Collateral. Holder may obtain such appointment without notice to, or demand of either Borrower, on an *ex parte* basis before any court of competent jurisdiction, and without regard to the adequacy of the Collateral as security for the Obligations.

6.04 Sale of Collateral. Holder may sell, assign, and deliver or otherwise dispose of or cause to be sold or otherwise disposed of, the whole or any part of the Collateral, at one or more commercially reasonable public or private sales, without demand or advertisement of the time or place of sale or of any adjournment thereof, each of which is hereby expressly waived. The sale or other disposition may be made for such price and upon such terms and conditions as Holder may deem best in the exercise of its commercially reasonable discretion. Holder may apply the proceeds from such sale or sales or such other disposition or dispositions: first, to the settlement of all liens or claims on the Collateral with a lien priority greater than that of Holder; second, to the payment of all reasonable expenses connected with the assembly, preservation, preparation, and sale or other disposition of the Collateral, including any trustees' or auctioneers' fees, commissions or other expenses; third, to the payment of all amounts due

under the Debentures and all other monetary Obligations; and fourth, returning the excess, if any, to Borrowers. Borrowers hereby expressly waive all rights of appraisal, whether before or after the sale or other disposition, and any right of redemption after the sale or other disposition. Borrowers shall have the right to redeem any of the Collateral up to the time of the sale or other disposition by paying to Holder the aggregate indebtedness under the Debentures and this Agreement, together with all reasonable costs incurred by Holder in collecting such amounts or in enforcing its rights and remedies hereunder, and any other monetary Obligations then due and owing.

6.05 Attorney-in-Fact. Each Borrower hereby irrevocably appoints Holder as its attorney-in-fact, with power of substitution, to do each of the following in the name of such Borrower or in the name of Holder or otherwise, for the use and benefit of Holder, but at the cost and expense of such Borrower:

(a) notify the debtors or other party(ies) obligated under any of the Accounts, Chattel Paper or General Intangibles to make payments thereon directly to Holder, and to take control of the cash and non-cash proceeds of any Collateral;

(b) compromise, extend, or renew any of the Collateral or deal with the same as it may deem advisable;

(c) release, make exchanges, substitutions, or surrender of all or any part of the Collateral;

(d) remove from Borrowers' place(s) of business all books, records, ledger sheets, correspondence, invoices and documents, relating to or evidencing any of the Collateral or without cost or expense to Holder, make such use of Borrowers' place(s) of business as may be reasonably necessary to administer, control and collect the Collateral;

(e) repair, alter or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any account debtor;

(f) demand, collect, receipt for and give renewals, extensions, discharges and releases of any of the Collateral;

(g) institute and prosecute legal and equitable proceedings to enforce collection of, or realize upon, any of the Collateral;

(h) settle, renew, extend, compromise, compound, exchange or adjust claims with respect to any of the Collateral or any legal proceedings brought with respect thereto;

(i) endorse the name of either Borrower upon any items of payment relating to the Collateral or upon any proof of claim in bankruptcy against an account debtor;

(j) institute and prosecute legal and equitable proceedings to reclaim any of the goods sold to any debtor obligated on an Account, Chattel Paper, or General Intangible at a time when such debtor was insolvent;

(k) receive and open all mail addressed to either Borrower and notify the postal authorities to change the address for the delivery of mail to either Borrower to such address as Holder may designate; and

(l) execute and deliver on behalf of either Borrower one or more instruments of assignment of the Intellectual Property (or application, letters patent or recording relating thereto), in form suitable for filing, recording or registration.

6.06 Right to Make Payments or Otherwise Cure. Whether or not such failure shall constitute an Event of Default, Holder may, in its sole discretion, pay any amount or do any act which either Borrower fails to do or to pay as required by the terms of this Agreement or any of the other Investment Documents. Holder may also take any actions, make any payments, or incur any reasonable expenses (including, without limitation, the payment of filing fees, court costs, travel expenses and attorneys' fees) as may be reasonably necessary or appropriate to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral, or the assignment granted hereunder.

6.07 Right to Defend. Whether or not such failure shall constitute an Event of Default, if any of the Collateral is or becomes the subject of any litigation or other proceeding and Borrowers fail to defend such litigation or other proceeding and to protect Borrowers' and Holder's rights in such Collateral in good faith, then Holder may, at its sole option, elect to defend and control the defense of such litigation or other proceeding, including the right to: (a) select and retain counsel; (b) determine whether settlement shall be offered or accepted; and (c) determine and negotiate all settlement terms. If Holder so chooses, Holder shall be fully indemnified by Borrowers and shall be reimbursed for all costs of litigation and settlement, including, without limitation, all costs, expenses and reasonable attorneys' fees. Any payments made pursuant to the authority granted in Section 6.06 above or this Section 6.07 shall be deemed added to the principal amounts outstanding under the Debentures and shall accrue interest as provided in the Debentures.

6.08 Intellectual Property Remedies. In addition to all other rights and remedies, Holder, following the occurrence of an Event of Default shall have the following rights and remedies with respect to the Intellectual Property, each of which may be exercised without notice to, or consent by, Borrowers except as expressly provided for herein:

(a) Holder may require that Borrowers and all Affiliates thereof immediately discontinue any existing use of the Intellectual Property and that neither Borrowers

nor any Affiliate thereof make any further use of the Intellectual Property for any purpose whatsoever;

(b) Upon 10 days prior written notice to Borrowers, Holder may grant one or more exclusive or non-exclusive license or licenses relating to any of the Intellectual Property for such term or terms, on such conditions, and in such manner, as Holder shall in its sole discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or non-exclusive basis throughout the United States of America, its territories and possessions and all foreign countries;

(c) Upon 10 days prior written notice to Borrowers, Holder may assign, sell or otherwise dispose of the Intellectual Property or any part thereof, either with or without special conditions or stipulations. Holder shall have the power to (i) purchase the Intellectual Property or any part thereof, (ii) execute all assurances and (iii) perform all other acts which Holder may, in Holder's sole discretion, deem appropriate or proper to complete such assignment, sale or disposition;

(d) Holder may first apply the proceeds actually received from any such license, assignment, sale or other disposition of Intellectual Property to the reasonable costs and expenses thereof, including, without limitation to, reasonable attorneys' fees and all legal, travel and other expenses which may be incurred by Holder. Thereafter, Holder may apply any remaining proceeds to such of the Obligations as Holder may in its sole discretion determine. Borrowers shall remain liable to Holder for any Obligations or reasonable expenses remaining unpaid after the application of such proceeds, and Borrowers will pay Holder on demand any such unpaid amount, together with interest at the default rate of interest specified in the Debentures; and

(e) If any such license, assignment, sale or other disposition of the Intellectual Property (or any part thereof) is made after the occurrence of an Event of Default under any of the Investment Documents, Borrowers shall supply to Holder or Holder's designee Borrowers' knowledge and expertise relating to the manufacture and sale of the products according to the patented inventions, Borrowers' customer lists, and other records relating to the distribution of any products related thereto.

ARTICLE VII: ADDITIONAL PROVISIONS

7.01 Deficiency. Borrowers shall be liable for all Obligations remaining after crediting to Borrowers any net proceeds received by Holder following exercise of any of its rights and remedies hereunder.

7.02 No Duty to Act. Nothing contained in this Agreement or any of the other Investment Documents shall be construed as requiring Holder to take any particular enforcement or remedial action or combination of enforcement or remedial actions at any time.

7.03 Remedies Not Limited; Partial Exercise. All of Holder's rights and remedies, whether provided under this Agreement, the other Investment Documents, at law, in equity, or otherwise shall be cumulative and none is exclusive. Such rights and remedies may, subject to the Subordination Agreement, be enforced alternatively, successively or concurrently, and Borrowers hereby agree that Holder may enforce its rights hereunder with respect to individual items or classes of Collateral without waiving or prejudicing in any respect Holder's rights hereunder with respect to any other items or classes of Collateral. Holder may exercise any other right or remedy which may be available to it under this Agreement, the Investment Documents or Applicable Law, including, without limitation, the remedies set forth in Article VIII of the Investment Agreement, or may proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to rescind this Agreement in whole or in part.

7.04 Costs of Enforcement. Borrowers shall be liable for all costs incurred by Holder in collecting any sums owed to Holder under the Investment Documents or in otherwise enforcing any of the Obligations (whether or not suit is brought), including, but not limited to, all reasonable attorneys' fees and expenses, court costs, and costs of consultants, appraisers and other advisors retained by Holder.

7.05 Mitigation of Damages. To the extent permitted by Applicable Law, each Borrower hereby waives any notice or other mandatory requirements of Applicable Law, now or hereafter in effect, which might require Holder to sell, lease or otherwise use any of the Collateral in mitigation of Holder's damages; *provided, however*, that neither Borrower waives any legal requirement that Holder act in a commercially reasonable manner.

7.06 No Waivers by Holder. No failure of Holder to exercise, or delay by Holder in the exercise of, any of its rights and remedies granted herein following the occurrence of an Event of Default shall constitute a waiver of Holder's rights with respect to such Event of Default or any subsequent Event of Default (whether or not similar). Any failure or delay by Holder to require strict performance by Borrowers of any of the provisions, warranties, terms and conditions contained herein or in any other agreement, document or instrument, shall not affect Holder's right to demand strict compliance and performance therewith.

7.07 Holder's Actions. Holder may take or release the Collateral or other security, may release any party primarily or secondarily liable for any indebtedness to Holder, may grant extensions, renewals or indulgences with respect to such indebtedness, and may apply any other security therefor held by it to the satisfaction of such indebtedness, all without prejudice to any of its rights or Borrowers' obligations hereunder or under any of the other Investment Documents.

7.08 Notices. All notices hereunder shall be given in accordance with the notice provisions in the Investment Agreement. Borrowers agree that 14 days prior notice of the

time and place of any public sale of all or any portion of the Collateral, or of the time after which a private sale of all or any portion of the Collateral will be made, is commercially reasonable notice.

7.09 Further Assurances. Borrowers will promptly and duly execute and deliver to Holder such further documents and assurances and take such further actions as Holder may from time to time reasonably request in order to carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created or intended to be created in favor of Holder hereunder. Without limiting the generality of the foregoing, each Borrower hereby authorizes Holder to execute and file one or more financing statements (or similar documents) with respect to the Collateral, signed only by Holder.

7.10 Successors and Assigns. This Agreement shall inure to the benefit of Holder and its respective successors and assigns, and shall be binding upon the successors and assigns of Borrowers.

7.11 Assignment. Borrowers may not assign any of their rights or ~~delegate~~ any of their duties under this Agreement without prior written consent of Holder. Holder may assign all of its right, title and interest in and to this Agreement and the Collateral to any transferee of any of the Debentures or any portion of any of the Debentures or interest in any of the Debentures.

7.12 Governing Law. This Agreement and the rights and obligations of the parties hereunder shall, in all respects, be governed by, and construed in accordance with, the laws of the State of Maryland (excluding Maryland conflict of laws rules), including all matters of construction, validity and performance, regardless of the location of the Collateral.

7.13 Waiver of Trial by Jury. Each Borrower agrees that any suit, action or proceeding, whether claim or counterclaim, brought or instituted by Holder on or with respect to this Agreement or any event, transaction or occurrence arising out of or in any way connected with the Investment Agreement or the dealing of the parties with respect thereto, shall be tried only by a court and not by a jury. EACH BORROWER HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. Borrowers acknowledge and agree that Holder would not extend credit under the Investment Agreement to Borrowers if this waiver of jury trial were not part of the Investment Agreement and this Agreement.

7.14 Venue; Service of Process. Venue for any adjudication hereof shall be only in the courts of the State of Maryland or the Federal courts in the State of Maryland, the jurisdiction of which courts all parties hereby consent to as the agreement of the parties, as not inconvenient and as not subject to review by any court other than such courts in Maryland. Each Borrower intends that the courts of the jurisdiction(s) in which such Borrower is incorporated and conducts business should afford full faith and credit to any judgment rendered by a court of the State of Maryland against such Borrower hereunder, and should hold that the Maryland

courts have jurisdiction to enter a valid, in personam judgment against such Borrower hereunder. Each Borrower agrees that service of any summons or complaint, and other process which may be served in any action, may be made by mailing via registered mail or delivering a copy of such process to such Borrower, and each Borrower hereby agrees that this submission to jurisdiction and consent to service of process are reasonable and made for the express benefit of Holder.

7.15 No Oral Modifications or Waivers. This Agreement shall not be modified nor any of its provisions waived except by a writing signed by the party against whom such modification or waiver is sought to be enforced.

7.16 Termination of Agreement; Release of Security Interest. Upon the repayment in full of all amounts owing under the Debentures and the satisfaction of all other Obligations, this Agreement shall terminate without further action by Holder. Notwithstanding the foregoing, upon request, Holder will execute and deliver to Borrowers any releases, termination statements or similar instruments of reconveyance as Borrowers may reasonably request. All such instruments and documents shall be prepared by Borrowers and filed or recorded by Borrowers, at their sole expense, and Holder shall have no duty, obligation or liability with respect thereto.

7.17 Severability. Any provision of this Agreement or of any related instrument or document executed pursuant hereto 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 or thereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, each Borrower hereby waives any provision of law which renders any provision hereof or thereof prohibited or unenforceable in any respect.

7.18 Captions. The captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

{Signatures on next page.}

IN WITNESS WHEREOF, and intending to be legally bound hereby, each Borrower executes this Security Agreement under seal as of the day and year first above written.

"BORROWERS":

UNITEL CORPORATION
a Virginia corporation

Attest: *ST*

By: *DE. DP* (SEAL)
Douglas E. Palley, President

ACCESS AMERICA TELESERVICES, INC.
a Delaware corporation

Attest: *ST*

By: *DE. DP* (SEAL)
Title: *President*

EXHIBIT A

PERFECTION CERTIFICATE

The undersigned, unitel corporation, a Virginia corporation (the "Company"), hereby represents and warrants to allied capital corporation ("Allied") and related parties that the following information is true, accurate and complete:

1. Names.

a. The exact name of the Company as it appears in its articles of incorporation, as amended, is as follows:

Unitel Corporation

b. The following is a list of all other names (including trade names or similar appellations) used by the Company or any of its Affiliates (other than the other Borrowers) or other unincorporated business units during the past 12 years:

Unitel, Incorporated

c. The following are the names of all corporations, partnerships, limited liability companies, or other entities, which have been merged into the Company during the past 12 years:

ADS Interactive, Inc.

As used below, the term "Company" shall include all of the Affiliates (other than the other Borrowers) or business units referenced in paragraphs 1(b) and (c) above. Capitalized terms used herein shall have the meanings assigned to them in the Investment Agreement dated of even date herewith between Allied, the Company and the other Borrowers named therein.

2. Current Locations.

a. The following are all the locations where the Company maintains any books or records relating to any of its Accounts or General Intangibles:

<u>Name of City or Location</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>
McLean, VA	8300 Greensboro Drive Suite 600 McLean, VA 2210	Fairfax	VA
Washington, DC	1025 Thomas Jefferson St Washington, D.C. 20007	Washington	DC

b. The following are all of the locations where the Company maintains any Equipment or Inventory:

<u>Name of City or Location</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>
McLean	8300 Greensboro Dr Suite 600 McLean, VA 2210	Fairfax	VA
Frostburg	10701 New Georges Cr Rd Suite 16 Frostburg, MD 21532	Allegheny	MD
McLean	8301 Greensboro Dr Suite 140 McLean, VA 22102	Fairfax	VA

c. The following are all of the locations where the Company maintains any Chattel Paper or Instruments:

<u>Name of City or Location</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>
McLean	Unitel 8300 Greensboro Dr Suite 600 McLean, VA 22102	Fairfax	VA
Washington DC	Katten, Muchin & Zavis Washington DC 1025 Thomas Jefferson St., N.W. Washington, D.C. 20007		DC

d. The following are all the locations where the Company owns, leases, or occupies any Real Property:

<u>Name of City or Location</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>	<u>Record Owner</u>
McLean	8300 Greensboro Drive Suite 600 McLean, VA 22102	Fairfax	VA	NationsBank
McLean	8301 Greensboro Drive Suite 140 McLean, VA 22102	Fairfax	VA	Campus Point
Frostburg	10701 New Georges Cr Frostburg, MD 21532	Allegheny	MD	Frostburg 1 Lmtd

e. The following are the names and addresses of all consignees of the Company:

<u>Name of City or Location</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>
N/A			

f. The following are the names and addresses of all warehousemen or bailees who have possession of any of the Company's Inventory:

<u>Name</u>	<u>Street Address</u>	<u>County</u>	<u>State</u>	<u>Are Documents of Title Issued?</u>	<u>If so, are they Negotiable?</u>
N/A					

3. Special Types of Collateral.

a. The following are all of the trademarks/service marks or trademark/service mark applications of the Company, together with the trademark/service mark numbers or application numbers and dates of registration with the U.S. Patent and Trademark Office, if applicable:

<u>TM/SM</u>	<u>Number</u>	<u>Reg. Date</u>	<u>If Foreign Trademark - What Country?</u>
UNITEL (& design)	1,987,084	7/16/96	
CYBEREPS	75/274737	filed 4/15/97 (pending)	

b. The following are all of the patents or patent applications of the Company, together with the patent numbers, names of inventors and dates or registration with the U.S. Patent and Trademark Office, if applicable.

<u>Patent Name</u>	<u>Number</u>	<u>Date</u>	<u>Inventor</u>	<u>If Foreign Patent - What Country?</u>
N/A				

c. The following are all of the copyrights (registered and

unregistered) or copyright applications of the Company, together with the copyright numbers and dates of registration with the U.S. Copyright Office, if applicable:

Copyright
N/A

Number

Date

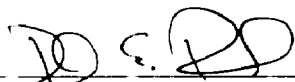
*If Foreign
Copyright -
What Country?*

d. The Company owns the following kinds of assets:

Motor Vehicles:	Yes <u> </u>	No <u>X</u>
Aircraft:	Yes <u> </u>	No <u>X</u>
Vessels, Boats, Ships :	Yes <u> </u>	No <u>X</u>
Railroad Rolling Stock:	Yes <u> </u>	No <u>X</u>

UNITEL CORPORATION
a Virginia corporation

Dated: 9/30/98

By:  (SEAL)
Douglas E. Palley, President

unregistered) or copyright applications of the Company, together with the copyright numbers and dates of registration with the U.S. Copyright Office, if applicable:

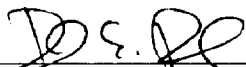
<u>Copyright</u>	<u>Number</u>	<u>Date</u>	<u>If Foreign Copyright - What Country?</u>
N/A			

d. The Company owns the following kinds of assets:

Motor Vehicles:	Yes <u> </u>	No <u>X</u>
Aircraft:	Yes <u> </u>	No <u>X</u>
Vessels, Boats, Ships :	Yes <u> </u>	No <u>X</u>
Railroad Rolling Stock:	Yes <u> </u>	No <u>X</u>

UNITEL CORPORATION
a Virginia corporation

Dated: 9/30/98

By:  (SEAL)
Douglas E. Palley, President