

This FINANCING STATEMENT is presented to THE SECRETARY OF STATE for filing pursuant to the Uniform Commercial Code.

1. Debtor(s) (Last Name First) and address(es) LOG ON AMERICA, INC. 3 Regency Plaza Providence, Rhode Island 02903 THIS DEBTOR IS A TRANSMITTING UTILITY	2. Secured Party(ies) and address(es) NORTEL NETWORKS INC., AS AGENT 2221 Lakeside Blvd. Richardson, Texas 75082-4399	7.16900 716900 08-21-00
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3. This financing statement covers the following types (or items) of property:

All accounts, chattel paper, instruments, general intangibles, documents, equipment, inventory, intellectual property, investment property, deposit accounts, pledged shares, all as more fully described on Schedule 1 attached hereto and incorporated herein.

FOR FILING OFFICER USE
 AUG 21 12 24 PM '00

"SEE OVERSIZE FILE"

Check (X) if covered: Proceeds of Collateral are also covered Products of Collateral are also covered

Filed with: Secretary of State

LOG ON AMERICA, INC.

By: [Signature] Signature(s) of Debtor(s) CEO/President By: _____ Signature(s) of Secured Party(ies)

(1) Filing Officer Copy — Alphabetical
 Standard Form - Uniform Commercial Code - Form UCC1

REORDER FROM
Registre, Inc.
 514 PIERCE ST.
 P.O. BOX 218
 ANOKA, MN 55303
 (612) 421-1713

7.16900

Schedule 1 to
FINANCING STATEMENT

THIS FINANCING STATEMENT IS PRESENTED TO A FILING OFFICER FOR FILING
PURSUANT TO THE UNIFORM COMMERCIAL CODE

AUG 21 12 24 PM '00

DEBTOR'S NAME AND ADDRESS:	LOG ON AMERICA, INC. 3 Regency Plaza Providence, Rhode Island 02903
TAX I.D. No.: 050496586	[THIS DEBTOR IS A TRANSMITTING UTILITY.]

SECURED PARTY'S NAME AND ADDRESS:	NORTEL NETWORKS INC., as Administrative Agent* 2221 Lakeside Blvd. Richardson, Texas 75082-4399
TAX I.D. NO.: 04-2486332	

FOR FILING OFFICER:	Rhode Island Secretary of State This instrument grants a security interest by a utility. This instrument contains after-acquired property provisions.
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COLLATERAL: This financing statement covers the following types or items of property, wherever located, whether now owned or existing or hereafter owned, existing, acquired or arising, and whether in Debtor's, Secured Party's or any other person's or entity's possession (the "Collateral"):

- (a) all Accounts;
- (b) all Chattel Paper;
- (c) all Instruments;
- (d) all General Intangibles;
- (e) all Documents;

* for itself and the other lenders which are parties to that certain Credit Agreement dated as of January 31, 2000, by and among Log On America, Inc., Nortel Networks Inc. and its successors and assigns, as lenders, and Nortel Networks Inc., as Administrative Agent for such lenders, as such Credit Agreement may be amended, modified, supplemented, restated or replaced from time to time (the "Credit Agreement").

- (f) all Equipment (including, without limitation, Equipment at the locations set forth on Schedule 4);
- (g) all Inventory (including, without limitation, Inventory at the locations set forth on Schedule 4);
- (h) all Intellectual Property;
- (i) all Investment Property, and the certificates and all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed or distributable in respect of or in exchange for any or all of such Investment Property;
- (j) all Deposit Accounts;
- (k) the Pledged Shares and the certificates representing the Pledged Shares, all additional Capital Stock of the Subsidiaries of Debtor, all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed or distributable in respect of or in exchange for any or all of the Pledged Shares or such additional Capital Stock and all rights, interests and other property, including, without limitation, General Intangibles, relating to any or all of the Pledged Shares, such additional Capital Stock and such dividends, cash, instruments and other property;
- (l) all Debt from time to time owed to Debtor by its Subsidiaries and the instruments evidencing such indebtedness, and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed or distributable in respect of or in exchange for any or all of such indebtedness;
- (m) all proceeds, in cash or otherwise, of any of the property described in the foregoing clauses (a) through (l) and all liens, security, rights, remedies and claims of Debtor with respect thereto;
- (n) all other goods and personal property of Debtor of any kind or character, whether tangible or intangible, including, without limitation, any and all rights in and claims under insurance policies, judgments and rights thereunder, and tort claims; and
- (o) all Proceeds and products of any or all of the foregoing.

For purposes of this financing statement, all the terms "Accounts", "Chattel Paper", "Instruments", "General Intangibles", "Documents", "Equipment", "Inventory", "Intellectual Property", "Investment Property", "Deposit Accounts", "Pledged Shares", "Capital Stock", "Subsidiaries", and "Proceeds", and other defined terms used in reference thereto, shall mean as such terms are defined on Exhibit A attached hereto and incorporated herein by reference. Capitalized terms used herein but not defined herein shall have the meanings therefor specified in the Credit Agreement.

EXHIBIT A

DEFINED TERMS

"Account" means any "account", as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Debtor and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by Debtor: (a) all rights of Debtor to payment for goods sold or leased, services rendered or the license of Intellectual Property, whether or not earned by performance; (b) all accounts receivable of Debtor; (c) all rights of Debtor to receive any payment of money or other form of consideration; (d) all security pledged, assigned or granted to or held by Debtor to secure any of the foregoing; (e) all guaranties of, or indemnifications with respect to, any of the foregoing; (f) all rights of Debtor as an unpaid seller of goods or services, including, but not limited to, all rights of stoppage in transit, replevin, reclamation and resale; and (g) all rights to brokerage commissions.

"Broker" means any "broker," as such term is defined in Article or Chapter 8 of the UCC, and in any event shall include, but not be limited to, any Person defined as a broker or dealer under the federal securities laws, but without excluding a bank acting in that capacity.

"Capital Stock" means corporate stock and any and all securities, shares, partnership interests, limited partnership interests, limited liability company interests, membership interests, equity interests, participations, rights or other equivalents (however designated) of corporate stock or any of the foregoing issued by any entity (whether a corporation, a partnership, a limited liability company or another entity) and includes, without limitation, securities convertible into Capital Stock and rights or options to acquire Capital Stock.

"Chattel Paper" means any "chattel paper," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Debtor.

"Clearing Corporation" means any "clearing corporation," as such term is defined in Article or Chapter 8 of the UCC, and in any event shall include, but not be limited to, any (a) Person that is registered as a "clearing agency" under the federal securities laws, (b) federal reserve bank, or (c) other Person that provides clearance or settlement services with respect to Financial Assets that would require it to register as a clearing agency under the federal securities laws but for an exclusion or exemption from the registration requirement, if its activities as a clearing corporation, including, without limitation, promulgation of rules, are subject to regulation by Governmental Authority.

"Commodity Account" means any "commodity account," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Debtor, including, without limitation, all accounts maintained by a Commodity Intermediary in which a Commodity Contract is carried for Debtor.

"Commodity Contract" means any "commodity contract," as such term is defined in Article or Chapter 9 of the UCC, and includes, without limitation, a commodity futures contract, a commodity option, or other contract that, in each case, is (a) traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to the federal commodities laws, or (b) traded on a foreign commodity board of trade, exchange or market, and is carried on the books of a Commodity Intermediary for a Commodity Customer.

"Commodity Customer" means any "commodity customer" as such term is defined in Article or Chapter 9 of the UCC, and includes, without limitation, any Person for whom a Commodity Intermediary carries a Commodity Contract on its books.

"Commodity Intermediary" means any "commodity intermediary," as such term is defined in Article or Chapter 9 of the UCC, including, without limitation, (a) a Person who is registered as a futures commission merchant under the federal commodities laws, or (b) a Person who in the ordinary course of its business provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to the federal commodities laws.

"Copyright License" means any written agreement now or hereafter in existence granting to Debtor any right to use any Copyright.

"Copyrights" means all of the following: (a) all copyrights, works protectable by copyright, copyright registrations and copyright applications of Debtor; (b) all renewals, extensions and modifications thereof; (c) all income, royalties, damages, profits and payments relating to or payable under any of the foregoing; (d) the right to sue for past, present or future infringements of any of the foregoing; (e) all other rights and benefits relating to any of the foregoing throughout the world; and (f) all goodwill associated with and symbolized by any of the foregoing; in each case, whether now owned or hereafter acquired by Debtor.

"Debt" means as to any Person at any time (without duplication): (a) all indebtedness, liabilities and obligations of such Person for borrowed money; (b) all indebtedness, liabilities and obligations of such Person evidenced by bonds, notes, debentures or other similar instruments; (c) all indebtedness, liabilities and obligations of such Person to pay the deferred purchase price of Property or services, except trade accounts payable of such Person arising in the ordinary course of business that are not past due by more than 90 days; (d) all Capital Lease Obligations of such Person; (e) all Debt of others Guaranteed by such Person; (f) all indebtedness, liabilities and obligations secured by a Lien existing on Property owned by such Person, whether or not the indebtedness, liabilities or obligations secured thereby have been assumed by such Person or are non-recourse to such Person; (g) all reimbursement obligations of such Person (whether contingent or otherwise) in respect of letters of credit, bankers' acceptances, surety or other bonds and similar instruments; (h) all indebtedness, liabilities and obligations of such Person to redeem or retire shares of Capital Stock of such Person; (i) all indebtedness, liabilities and obligations of such Person under Interest Rate Protection Agreements; and (j) all indebtedness, liabilities and obligations of such Person in respect of unfunded vested benefits under any pension plans.

"Deposit Accounts" means any and all deposit accounts (including cash collateral accounts), bank accounts or investment accounts now owned or hereafter acquired or opened by Debtor, including, without limitation, those set forth on Schedule 2, and any account which is a replacement or substitute for any of such accounts, together with all monies, Instruments, certificates, checks, drafts, wire transfer receipts and other property deposited therein and all balances therein and all investments made with funds deposited therein or otherwise held in connection therewith, including, without limitation, indebtedness (howsoever evidenced) and/or securities issued or guaranteed by the government of the U.S., certificates of deposit and all contract rights, General Intangibles, contracts, Instruments, Investment Property, Security Entitlements, Financial Assets, Commodity Contracts and other Documents now or hereafter existing with respect thereto, including, but not limited to, any and all renewals, extensions, reissuances and replacements and substitutions therefor

with all earnings, profits or other Proceeds therefrom in the form of interest or otherwise, from time to time representing, evidencing, deposited into or held in such deposit accounts, bank accounts or investment accounts.

"Document" means any "document," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Debtor, including, without limitation, all documents of title and all receipts covering, evidencing or representing goods now owned or hereafter acquired by Debtor.

"Entitlement Holder" means any "entitlement holder", as such term is defined in Article or Chapter 8 of the UCC, and in any event shall include, but not be limited to, any Person identified in the records of a Securities Intermediary as the Person having a Security Entitlement against the Securities Intermediary, including, without limitation, any Person who acquires a security entitlement under Article or Chapter 8 of the UCC.

"Equipment" means any "equipment," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Debtor and, in any event, shall include, without limitation, all machinery, equipment, furniture, fixtures, trade fixtures, trailers, rolling stock, vessels, aircraft and vehicles now owned or hereafter acquired by Debtor and any and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

"Financial Asset" means any "financial asset," as such term is defined in Article or Chapter 8 of the UCC, and in any event shall include, but not be limited to, any (a) Security, (b) obligation of a Person or a share, participation or other interest in a Person or in property or an enterprise of a Person, which is, or is of a type, dealt in or traded on financial markets, or which is recognized in any area in which it is issued or dealt in as a medium for investment, and (c) any property that is held by a Securities Intermediary for another Person in a Securities Account if the Securities Intermediary has expressly agreed with the other Person that the property is to be treated as a Financial Asset under Article or Chapter 8 of the UCC.

"General Intangibles" means any "general intangibles," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Debtor and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by Debtor: (a) all of Debtor's service marks, trade names, trade secrets, registrations, goodwill, franchises, licenses, permits, proprietary information, customer lists, designs and inventions; (b) all of Debtor's books and records, data, plans, manuals, computer software, computer tapes, computer disks, computer programs, source codes, object codes, management information systems and all rights of Debtor to retrieve data and other information from third parties; (c) all of Debtor's contract rights, partnership interests, joint venture interests, securities, Deposit Accounts, investment accounts and certificates of deposit; (d) all rights of Debtor to payment under letters of credit and similar agreements; (e) all tax refunds and tax refund claims of Debtor; (f) all choses in action and causes of action of Debtor (whether arising in contract, tort or otherwise and whether or not currently in litigation) and all judgments in favor of Debtor; (g) all rights and claims of Debtor under warranties and indemnities; (h) all Intellectual Property; and (i) all rights of Debtor under any insurance, surety or similar contract or arrangement.

"Governmental Authority" means any nation or government, any state, provincial or political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantee" by any Person means any indebtedness, liability or obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any indebtedness, liability or obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (b) entered into for the purpose of assuring in any other manner the obligee of such Debt or other indebtedness, liability or obligation as to the payment thereof or to protect the obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made or, if not stated or determinable, the maximum anticipated liability in respect thereof (assuming such Person is required to perform thereunder).

"Instrument" means any "instrument," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Debtor, and, in any event, shall include all promissory notes, drafts, bills of exchange and trade acceptances of Debtor, whether now owned or hereafter acquired.

"Intellectual Property" means the Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks and Trademark Licenses.

"Inventory" means any "inventory," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by Debtor: (a) all goods and other personal property of Debtor that are held for sale or lease or to be furnished under any contract of service; (b) all raw materials, work-in-process, finished goods, inventory, supplies and materials of Debtor; (c) all wrapping, packaging, advertising and shipping materials of Debtor; (d) all goods that have been returned to, repossessed by or stopped in transit by Debtor; and (e) all Documents evidencing any of the foregoing.

"Investment Property" means any "investment property," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by Debtor: (a) the Securities Accounts and other Investment Property described on Schedule 2; (b) any Security or Capital Stock, whether certificated or uncertificated; (c) any Security Entitlement; (d) any Securities Account; (e) any Commodity Contract; and (f) any Commodity Account.

"Issuer" means any "issuer," as such term is defined in Article or Chapter 8 of the UCC, and in any event shall include, but not be limited to, any Person that, with respect to an obligation on or a defense to a Security, (a) places or authorizes the placing of its name on a Security Certificate, other than as authenticating trustee, registrar, transfer agent or the like, to evidence a share, participation or other interest in its property or in an enterprise, or to evidence its duty to perform an obligation represented by the certificate; (b) creates a share, participation or other interest in its property or in an enterprise, or undertakes an obligation, that is an Uncertificated Security; (c) directly or indirectly creates a fractional interest in its rights or property, if the

fractional interest is represented by a Security Certificate; or (d) becomes responsible for, or in the place of, another Issuer.

"Patent License" means any written agreement now or hereafter in existence granting to Debtor any right to use any invention on which a Patent is in existence.

"Patents" means all of the following: (a) all patents, patent applications and patentable inventions of Debtor, and all of the inventions and improvements described and claimed therein; (b) all continuations, divisions, renewals, extensions, modifications, substitutions, continuations-in-part or reissues of any of the foregoing; (c) all income, royalties, profits, damages, awards and payments relating to or payable under any of the foregoing; (d) the right to sue for past, present and future infringements of any of the foregoing; (e) all other rights and benefits relating to any of the foregoing throughout the world; and (f) all goodwill associated with any of the foregoing; in each case, whether now owned or hereafter acquired by Debtor.

"Person" means any individual, corporation, trust, association, company, partnership, joint venture, limited liability company, joint stock company, Governmental Authority or other entity.

"Pledged Shares" means all Capital Stock now or hereafter owned by Debtor, including, without limitation, the Capital Stock described on Schedule 3.

"Proceeds" means any "proceeds," as such term is defined in Article or Chapter 9 of the UCC and, in any event, shall include, but not be limited to, (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to Debtor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority (or any Person acting, or purporting to act, for or on behalf of any Governmental Authority), and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Securities Account" means any "securities account," as such term is defined in Article or Chapter 8 of the UCC, and in any event shall include, but not be limited to, any account to which a Financial Asset is or may be credited in accordance with an agreement under which the Person maintaining the account undertakes to treat the Person for whom the account is maintained as entitled to exercise the rights that comprise the Financial Asset.

"Securities Intermediary" means any "securities intermediary," as such term is defined in Article or Chapter 8 of the UCC, and in any event shall include, but not be limited to, any (a) Clearing Corporation, or (b) Person, including a bank or Broker, that in the ordinary course of its business maintains Securities Accounts for others and is acting in that capacity.

"Security" means any "security," as such term is defined in Article or Chapter 8 of the UCC and, in any event, shall include, but not be limited to, any obligation of an Issuer or a share, participation or other interest in an Issuer or in property or an enterprise of an Issuer (a) which is represented by a Security Certificate in bearer or registered form, or the transfer of which may be registered upon books maintained for that purpose by or on behalf of the Issuer, (b) which is one of a class or series or by its terms is divisible into a class or series of shares, participations, interests or obligations, and (c) which (i) is, or is of a type, dealt in

or traded on securities exchanges or securities markets, or (ii) is a medium for investment and by its terms expressly provides that it is a security governed by Article or Chapter 8 of the UCC.

"Security Certificate" means any "security certificate," as such term is defined in Article or Chapter 8 of the UCC, and in any event shall include, but not be limited to, any certificate representing a Security.

"Security Entitlement" means any "security entitlement," as such term is defined in Article or Chapter 8 of the UCC, and in any event shall include, but not be limited to, any of the rights and property interests of an Entitlement Holder with respect to a Financial Asset.

"Subsidiary" means, with respect to any Person, any corporation or other entity of which at least a majority of the outstanding shares of stock or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors (or Persons performing similar functions) of such corporation or entity (irrespective of whether or not at the time, in the case of a corporation, stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries.

"Trademark License" means any written agreement now or hereafter in existence granting to Debtor any right to use any Trademark.

"Trademarks" means all of the following: (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the U.S., any state thereof or any other country or any political subdivision thereof, including, without limitation, those described in Schedule 1; (b) all reissues, extensions and renewals thereof; (c) all income, royalties, damages and payments now or hereafter relating to or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing; (e) the right to sue for past, present and future infringements of any of the foregoing; (f) all rights corresponding to any of the foregoing throughout the world; and (g) all goodwill associated with and symbolized by any of the foregoing; in each case, whether now owned or hereafter acquired by Debtor.

"UCC" means the Uniform Commercial Code as in effect in the State of New York and/or any other jurisdiction the laws of which may be applicable to or in connection with the creation, perfection or priority, or the effect of perfection or non-perfection, of any Lien on any Property created or purported to be created pursuant to the security agreement to which this financing statement relates .

"Uncertificated Security" means any "uncertificated security," as such term is defined in Article or Chapter 8 of the UCC, and in any event shall include, but not be limited to, any Security that is not represented by a certificate.

"U.S." means the United States of America.

SCHEDULE 1

TRADEMARKS						
Owner of record	Country of Registration	Trademark	Application or Registration No.	Filing Date	Expiration Date	Goods
Debtor	United States	"Log On America "	2372153	10/28/98	Perpetual	
Debtor	United States	Design	2370105	10/28/98	Perpetual	

SCHEDULE 2

DEPOSIT ACCOUNTS AND CERTAIN INVESTMENT PROPERTY

BANK ACCOUNTS

<u>BANK</u>	<u>TYPE OF ACCOUNT</u>	<u>ACCOUNT NUMBER</u>
Fleet Bank	Checking Account	9427735509
111 Westminster St.	Checking Account	9427735517
Providence, RI 02903-2305	Checking Account	9427735621
(401) 278-5528	Capital Focus	7580500
	Liquid Fund Account	9765100
	Checking Account	9420321158
	Money Market	127223994

SCHEDULE 3

PLEDGED SHARES

Issuer	Class of Capital Stock	Certificate No(s).	Par Value	Number of Shares or Interests	Percentage of Outstanding Shares or Interests
None					

SCHEDULE 4

LOCATIONS OF INVENTORY AND EQUIPMENT

**3 Regency Plaza, Suite 300
Providence, RI 02903**

**5 Bank Street, #201
Attleboro, MA 02703**

**124 Main St.
Brunswick, ME 04011**

**P. O. Box 26
West Buxton, ME 04093**

**208 Lafayette Center
Kennebunk, ME 04043**

**P. O. Box 289
Standish, ME 04084**

**1 Stackpole Road
Machias, ME 04654**

**One City Center
Portland, ME 04101**

**169 Boston Post Road
Waterford, CT**

**One Weybosset Hill
Providence, RI 02903**

**277 Libson Street
Lewiston, ME 04240**

**100 Dupont Drive
Cranston, RI**

**41 Main Street
Kennebunk, ME**