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

1. Name of conveying party(ies):

Strategic Distribution, Inc.

- Individual(s)
- General Partnership
- Corporation-State DE
- Other
- Association
- Limited Partnership

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

3. Nature of conveyance:

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

Execution Date: May 8, 1998

2. Name and address of receiving party(ies)

Name: Bank America Business Credit, Inc., as Agent

Internal Address:

Street Address: 231 S. LaSalle Street

City: Chicago State: IL ZIP: 60697

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Ill
- 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 patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1,963,356 1,979,512
1,963,357

Additional numbers attached? Yes No

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

Name: Federal Research Corp.

Internal Address:

Street Address: 400 Seventh St NW

Suite 101

City: Washington State: DC ZIP: 20004

6. Total number of applications and registrations involved: 3

7. Total fee (37 CFR 3.41).....\$ 90⁰⁰

- 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.

Kristin Brozovic
Name of Person Signing

Kristin Brozovic
Signature

5/13/98
Date

Total number of pages including cover sheet, attachments, and documents: 13

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("Trademark Security Agreement") made as of the 8th day of May, 1998, by STRATEGIC DISTRIBUTION, INC., a Delaware corporation (the "Company") and BANKAMERICA BUSINESS CREDIT, INC., having an office at 231 South LaSalle Street, Chicago, Illinois 60697, as agent on behalf of itself and the Lenders (as defined below) (the "Agent").

WITNESSETH:

WHEREAS, Industrial Systems Associates, Inc. and INTERMAT, Inc. (each a "Borrower" and collectively, the "Borrowers") have entered into a Loan and Security Agreement dated as of the date hereof (such Loan and Security Agreement, as it may hereafter be amended or otherwise modified from time to time, being called the "Loan Agreement"; capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Loan Agreement) with the Agent and various financial institutions which may now be or hereafter become parties thereto (the "Lenders");

WHEREAS, in connection with the Loan Agreement, the Company has executed and delivered a Guaranty of even date herewith in favor of the Agent and the Lenders (as amended or otherwise modified from time to time, the "Guaranty") and a Security Agreement (as amended or otherwise modified from time to time, the "Security Agreement") of even date herewith in favor of the Agent and the Lenders; and

WHEREAS, it is a condition precedent to the initial extensions of credit under the Loan Agreement that the Company shall grant the security interest contemplated by this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises set forth herein and for good and valuable consideration, the receipt of which is hereby acknowledged, the Company hereby agrees with the Agent as follows:

1. Grant of Security Interest. To secure the prompt and complete payment, observance and performance of all Secured Obligations (as defined in the Security Agreement), the Company hereby grants a security interest in and mortgages to the Agent, for the benefit of the Agent and the Lenders, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale as hereinafter provided after the occurrence and during the continuation of an Event of Default, to the extent permitted by law, all of the Company's right, title and interest in the following property, whether now owned or existing or hereafter acquired or arising (collectively, the "Collateral"):

- (a) trademarks, trademark registrations, interests under trademark license agreements, trade names and trademark applications, service marks, service mark registrations, service mark applications and brand names,

including, without limitation, the trademarks, trade names, service marks and registrations and applications thereof listed on Exhibit A attached hereto and made a part hereof and the trademark license agreements (both as licensee and licensor) listed on Exhibit B attached hereto and made a part hereof and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due and/or payable to the Company with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names, service marks, applications, registrations, and interests under trademark license agreements, together with the items described in clauses (i) through (iv) in this subsection (a), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and

(b) the goodwill of the Company's business connected with the Trademarks.

2. Restrictions on Future Agreements. The Company agrees that until all Secured Obligations (as defined in the Security Agreement) shall have been satisfied in full and the Loan Agreement shall have been terminated, the Company will not, without the Agent's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with the Company's obligations under this Trademark Security Agreement and the Company further agrees that it will not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would materially and adversely affect the validity or enforcement of the rights transferred to the Agent under this Trademark Security Agreement and any such agreement or action if it shall take place shall be null and void and of no effect whatsoever.

3. New Trademarks. The Company represents and warrants that the Trademarks listed on Exhibit A and the license agreements listed on Exhibit B constitute all of the registered Trademarks now owned by or licensed to or by the Company as of the date hereof arising out of, or relating to the business of, the Restricted Subsidiaries (as defined in the Security Agreement). If, before the Secured Obligations have been satisfied in full and the Loan Agreement has been terminated, the Company shall (i) obtain rights to any new trademarks, trademark registrations or applications or trade names arising out of, or relating to the business of, the Restricted Subsidiaries (as defined in the Security Agreement) or (ii) become entitled to the benefit of any trademark application, trademark, trademark registration or trade name arising out of, or relating to the business of, the Restricted Subsidiaries, the provisions of paragraph 1 above shall automatically apply thereto and the Company shall give to the Agent prompt written notice thereof. The Company hereby authorizes the Agent to modify this Trademark Security Agreement by amending Exhibit A and Exhibit B to include any future trademarks, trademark registrations, trademark applications,

trade names and license agreements which constitute Trademarks, as applicable, under paragraph 1 above or under this paragraph 3.

4. Additional Representations and Warranties. The Company hereby represents, warrants, covenants and agrees that:

(a) It is and, until payment of all Secured Obligations and termination of the Loan Agreement, will continue to be the owner of all of its right, title and interest in the Collateral, free from any lien or security interest in favor of any Person except for the security interest granted to the Agent and Liens permitted under the Loan Agreement. Nothing stated herein or any other agreement to the contrary, the Company shall not be required to maintain any Collateral which, in its reasonable business judgment, is not necessary to the conduct of the Company's business or the business of the Restricted Subsidiaries (as defined in the Security Agreement).

(b) It has the full right and power to grant the security interest in the Collateral made hereby.

(c) It has made no previous assignment, transfer or agreements in conflict herewith or constituting a present or future assignment, transfer, or encumbrance on any of the Collateral except for license agreements to use such Collateral granted to licensees described on Exhibit B hereto.

(d) There is no financing statement or other document or instrument now signed or on file in any public office covering any part of the Collateral, except those showing the Agent as secured party, and so long as any Secured Obligations remain outstanding or the Loan Agreement has not been terminated, the Company shall not execute, and there shall not be on file in any public office, any such financing statement or other document or instruments, except financing statements filed or to be filed in favor of the Agent.

(e) All information furnished to the Agent or the Lenders by the Company concerning the Collateral and proceeds thereof is, or will be at the time the same is furnished, accurate and correct in all material respects.

(f) To the best of the Company's knowledge after due inquiry, no infringement or unauthorized use presently is being made of any of the Trademarks which would materially and adversely affect the fair market value of the Collateral or the benefits of this Trademark Security Agreement granted to the Agent including, without limitation, the priority or perfection of the security interest granted herein or the remedies of the Agent hereunder.

5. Royalties; Terms. The Company hereby agrees that any rights granted hereunder to the Agent with respect to the Collateral as described above shall be worldwide and without any liability for royalties or other related charges from the Agent to the Company. The term of the assignments of security interest granted herein shall extend until the earlier of (i) the expiration or termination of each of the Trademarks assigned hereunder or (ii) all Secured Obligations have been paid in full and the Loan Agreement has been terminated.

6. Sale, Assignment or Lease. The Company agrees not to sell or assign its interest in, or grant any license under, any of the Collateral without the prior written consent of the Agent.

7. Release of Security Interest. This Trademark Security Agreement is made for collateral purposes only. Upon payment in full of all Secured Obligations and termination of the Loan Agreement, the Agent shall, at the Company's sole cost and expense, execute and deliver to the Company all releases, termination statements, assignments and other instruments as may be necessary or proper to re-vest in the Company full title to the Collateral, subject to any disposition thereof which may have been made by the Agent pursuant hereto or pursuant to any other agreement between the Company and the Agent.

8. Duties of the Company. The Company shall have the duty, to the extent commercially reasonable in the Company's business judgment, (i) to file and prosecute diligently any trademark or service mark application that is part of the Trademarks pending as of the date hereof or thereafter until all Secured Obligations shall have been paid in full and the Loan Agreement shall have been terminated, (ii) to make application on Trademarks, as appropriate, and (iii) to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with this paragraph 8 shall be borne by the Company.

If the Company fails to comply with any of the foregoing duties, the Agent may, but shall not be required to, do so in the Company's name to the extent permitted by law, and at the Company's expense, and the Company hereby agrees to reimburse the Agent in full for all expenses, including the fees and disbursements of counsel incurred by the Agent in protecting, defending and maintaining the Collateral, which counsel may be an employee of the Agent.

In the event that the Company shall fail to pay when due any fees required to be paid by it hereunder, or shall fail to discharge any lien or security interest prohibited hereby, or shall fail to comply with any other duty hereunder, the Agent may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of the Company, and all moneys so paid out shall be repayable on demand, together with interest at the rate of interest applicable to Loans under the Loan Agreement.

9. Right to Sue. Upon the occurrence and during the continuance of an Event of Default, the Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks, and any licenses thereunder, and, if the Agent shall

commence any such suit, the Company shall, at the request of the Agent, do any and all lawful acts and execute any and all proper documents required by the Agent or such other party in aid of such enforcement and the Company shall promptly, upon demand, reimburse and indemnify the Agent or such other party for all costs and expenses incurred by the Agent or such other party in the exercise of its or their rights under this paragraph 9.

10. Waivers. No course of dealing between the Company and the Agent, nor any failure to exercise, nor any delay in exercising, on the part of the Agent, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. Severability. The provisions of this Trademark Security Agreement are severable, and if any clause or provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Trademark Security Agreement in any jurisdiction.

12. Modification. This Trademark Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in paragraph 3 hereof or by a writing signed by the parties hereto.

13. Cumulative Remedies; Power of Attorney. All of the rights and remedies of the Agent and any Lender with respect to the Collateral, whether established hereby or by any other agreement between the Agent and the Company, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. The Company hereby authorizes the Agent to make, constitute and appoint any officer or agent of the Agent as the Agent may select, in its sole discretion, as the Company's true and lawful attorney-in-fact, with power at any time after the occurrence of an Event of Default and during the continuance thereof, (i) to endorse the Company's name on all applications, documents, papers and instruments necessary or desirable for the Lender in the use of the Collateral, or to grant or issue any exclusive or non-exclusive license under the Collateral to anyone, or to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone free and clear of any encumbrance upon title thereof created after the date of this Trademark Security Agreement, and (ii) to take any other actions with respect to the Collateral as the Agent reasonably deems in its best interests. This power of attorney, being coupled with an interest, shall be irrevocable until all Secured Obligations shall have been paid in full and the Loan Agreement has been terminated. The Agent shall have, in addition to all other rights and remedies given it by the terms of this Trademark Security Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located. Recourse to security will not be required at any time.

14. Care of Collateral. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if it takes such action for that purpose as the Company may request in writing, but failure of the Agent to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of the Agent to preserve or protect any rights with respect to the Collateral against prior parties, or to do any act with respect to preservation of the Collateral not so requested by the Company shall be deemed a failure to exercise reasonable care in the custody or preservation of the Collateral.

15. Certain Rights Regarding Collateral and Secured Obligations. The Agent may from time to time, whether before or after any Secured Obligations shall become due and payable, without notice to the Company, take all or any of the following actions following the occurrence and during the continuation of an Event of Default: (a) transfer all or any part of the Collateral into the name of the Agent or its nominee, with or without disclosing that such Collateral is subject to the lien and security interest hereunder, (b) notify the parties obligated on any of the Collateral to make payment to the Agent of any amounts due or to become due hereunder, (c) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto and (d) take control of any proceeds of the Collateral. The Agent may, furthermore, from time to time, whether before or after any Secured Obligations shall become due and payable, without notice to the Company, take all or any of the following actions: (a) retain or obtain a security interest in any property, in addition to the Collateral, to secure any Secured Obligations, (b) retain or obtain the primary or secondary liability of any party or parties, in addition to the Company with respect to any Secured Obligations, (c) extend or renew for any period (whether or not longer than the original period) or exchange any Secured Obligations or release or compromise any obligation of any nature of any party with respect thereto, (d) surrender, release or exchange all or any part of any property, in addition to the Collateral, securing any Secured Obligations, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect to any such property, and (e) following the occurrence and during the continuation of an Event of Default, resort to the Collateral in accordance with the terms hereof for payment of any Secured Obligations whether or not it shall have resorted to any other property securing Secured Obligations or shall have proceeded against any party primarily or secondarily liable on any Secured Obligations.

16. Binding Effect; Benefits. This Trademark Security Agreement shall be binding upon the Company and its successors and assigns, and shall inure to the benefit of the Agent and the Lenders and their respective successors, transferees and assigns.

17. Governing Law. This Trademark Security Agreement shall be governed by and construed in accordance with the laws of the United States and the State of Illinois, except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any of the Trademarks are governed by the laws of a jurisdiction other

than the State of Illinois. Unless otherwise defined herein or in the Loan Agreement, terms used in Article 9 of the Uniform Commercial Code as enacted in the State of Illinois are used herein as therein defined.


18. Notice. Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon either of the parties by the other, or whenever either of the parties desires to give or serve upon the other any communication with respect to this Trademark Security Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be delivered to the Company in accordance with Section 9.8 of the Security Agreement.

19. Consent to Jurisdiction. To induce the Agent to accept this Trademark Security Agreement, the Company irrevocably agrees that, subject to the Agent's sole and absolute election, ALL ACTIONS OR PROCEEDINGS IN ANY WAY, MANNER OR RESPECT, ARISING OUT OF OR FROM OR RELATED TO THIS TRADEMARK SECURITY AGREEMENT OR THE COLLATERAL SHALL BE LITIGATED IN COURTS HAVING SITUS WITHIN THE CITY OF CHICAGO, STATE OF ILLINOIS. THE COMPANY HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURTS LOCATED WITHIN SAID CITY AND STATE AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO THE COMPANY AT THE COMPANY'S ADDRESS SPECIFIED IN THE SECURITY AGREEMENT AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT THEREOF.

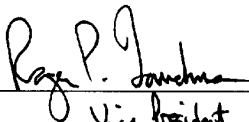
20. WAIVER OF JURY TRIAL. THE COMPANY AND THE AGENT EACH WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (i) UNDER THIS TRADEMARK SECURITY AGREEMENT OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith, OR (ii) ARISING FROM ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Trademark Security Agreement as of the date first above written.

STRATEGIC DISTRIBUTION, INC.

By 
Its CEO

BANKAMERICA BUSINESS CREDIT, INC., as Agent

By 
Its Vice President

ACKNOWLEDGMENT

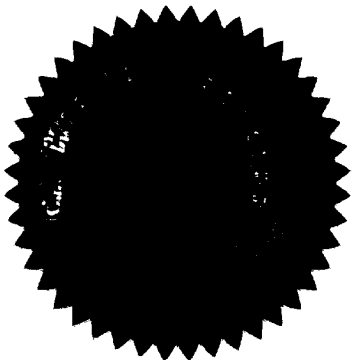
STATE OF PA)
) SS
COUNTY OF Bucks)

I, CATHERINE A. RODGERS, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT M. Devine, the CFO of Strategic Distribution, Inc., a Delaware corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such _____, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said corporation.

GIVEN under my hand and notarial seal this 5th day of MAY, 1998.

Catherine A. Rodgers
Notary Public

My Commission Expires:



NOTARIAL SEAL
CATHERINE A. RODGERS, Notary Public
Bensalem Twp., Bucks County
My Commission Expires March 23, 2002

ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Nancy Wegrzyn, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Roger P. Tauchman, the Vice President of BankAmerica Business Credit, Inc., personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said bank.

GIVEN under my hand and notarial seal this 8th day of May, 1998.

Nancy Wegrzyn

Notary Public

My Commission Expires:
March 31, 2000



**EXHIBIT A
To
Trademark Security Agreement**

TRADEMARK REGISTRATIONS AND APPLICATIONS

TRADEMARKS

<u>Mark</u>	<u>Registration No.</u>	<u>Registration Date</u>
INDUSTRIAL SYSTEMS ASSOCIATES, INC.	1,963,356	3/19/1996
IN-PLANT STORE	1,963,357	3/19/1996
ISA	1,979,512	6/11/1996

TRADEMARK APPLICATIONS

<u>Mark</u>	<u>Application No.</u>	<u>Application Date</u>
None		

EXHIBIT B
To
Trademark Security Agreement
TRADEMARK LICENSE AGREEMENTS

None.