



TRUE COPY

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("Agreement") is made and entered into this 28<sup>th</sup> day of October, 1997, by and between LEISURE LADY CRUISE CORP., a Colorado corporation (the "Debtor"), and GENERAL ELECTRIC CAPITAL CORPORATION, a New York corporation (the "Secured Party").

RECITALS

A. Reference is made to that certain Loan and Security Agreement dated the date hereof (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement") between the Debtor, as borrower, and the Secured Party, as lender.

B. In this Agreement, all capitalized words and terms not otherwise defined herein shall have the respective meanings and be construed herein as provided in Section 1.01 of the Loan Agreement and any reference to a provision of the Loan Agreement shall be deemed to incorporate that provision as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

C. Debtor is the owner of trade name "LEISURE LADY" and desires to grant to the Secured Party all of its rights in and to said trade name and all registrations and applications thereof.

NOW, THEREFORE, in consideration of the premises and the terms and conditions contained herein, the parties hereto hereby agree as follows:

Section 1. Definitions. As used herein, the following terms shall have the respective meanings set forth below; and unless the context otherwise requires, capitalized terms used herein without definition shall have the respective meanings assigned to such terms in the Loan Agreement.

"Agreement" shall mean this Trademark Security Agreement, including all amendments, supplements and extensions hereto and restatements hereof entered into at any time and from time to time and any exhibits or schedules to any of the foregoing.

"Loan Documents" shall mean, collectively, all of the documents, agreements and instruments by the Debtor, evidencing or securing the repayment of, or otherwise pertaining to, the Secured Obligations.

"Secured Obligations" shall mean all of the Debtor's indebtedness, obligations and liabilities arising under the Loan Agreement, the Promissory Note and each other Loan Documents (as

defined in the Loan Agreement), all as modified, amended, supplemented, restated, increased or extended from time to time and together with any promissory note or notes issued in exchange or replacement thereof and any and all other indebtedness, obligations and liabilities of any kind of the Debtor to the Secured Party, now or hereafter existing, direct or indirect, absolute or contingent, joint or several, secured or unsecured, arising by operation of law or otherwise, and whether incurred by the Debtor as principal, surety, endorser, guarantor, accommodation party or otherwise.

"Trademark" shall mean all of the Debtor's right, title and interest, in the United States and throughout the world, in and to the trade name "LEISURE LADY" and all registrations and applications to register the same, and all renewals thereof.

Section 2. General Terms.

2.01. Security Interest. To secure the prompt payment of the Secured Obligations, the Debtor hereby grants to the Secured Party a continuing security interest in and to the following property and interests in property of the Debtor, whether now owned or existing, hereafter acquired or arising, or in which the Debtor now or hereafter has any rights, including without limitation any such property used in or useful to the business or its operation, and wheresoever located:

a. all of Debtor's right, title and interest in and to the Trademark; and

b. all of the Debtor's right, title and interest in and to all (i) income, royalties, damages and payments now and hereafter due and/or payable under the Trademark and (ii) rights during the term of this Agreement to sue, collect and retain for its own benefit damages and payments for past or future infringement of the Trademark.

2.02. Initial Filing. This Agreement shall be filed for recordation in the United States Patent and Trademark Office contemporaneously with the Debtor's filing of its application for registration of the Trademark, and in all events within thirty (30) days of the date hereof. In addition, upon request by the Secured Party, the Debtor shall cause this Agreement to be filed with the trademark registration office of any province, territory or country in which the Secured Party, in its sole discretion, determines that registration and/or recordation is necessary or appropriate to perfect the Secured Party's security interest in the Trademark.

Section 3. Representations and Warranties.

3.01. General Representations and Warranties. The Debtor represents and warrants to the Secured Party that:

a. Title to the Trademark. The Debtor owns the Trademark, subject to no assignments, liens, licenses or other security interests (other than as granted hereunder), encumbrances or title defects, infringements or other adverse claims. The Debtor has not signed, filed or recorded any assignment in favor of any person other than the Secured Party with respect to the Trademark in the United States Patent and Trademark Office or trademark office of any province, territory or country.

b. Due Execution. The Debtor has the right and power and is duly authorized and empowered to enter into, execute and deliver and perform this Agreement and the transactions contemplated hereby; this Agreement has been duly and validly executed by the Debtor and constitutes a legal, valid and binding obligation of Debtor enforceable in accordance with its terms.

c. Perfection. This Agreement creates a valid security interest in the Trademark securing the repayment of the Secured Obligations and all filing and other actions necessary in order to perfect and protect such security interest have been duly taken or will be taken promptly following the date hereof, as provided in the Loan Agreement.

d. Loan Documents. All of the Debtor's representations and warranties contained herein are true and correct.

3.02. Trademark Representation and Warranty. To the best of the Debtor's knowledge, information and belief, the application for registration of the Trademark has been or within thirty (30) days of the date hereof will be duly and properly filed with the United States Patent and Trademark Office.

#### Section 4. Covenants.

4.01. Affirmative Covenants. Unless the Secured Party otherwise agrees in writing, the Debtor covenants that it shall:

a. Delivery of Documents. Furnish to the Secured Party, if requested by the Secured Party, a complete status report of all pending applications for registration of the Trademark and deliver to the Secured Party copies of all documents concerned with or related to the prosecution, protection, maintenance, enforcement and issuance of the Trademark, and such other data and information as the Secured Party from time to time may reasonably request bearing upon or related to the Trademark.

b. Defense of Title. Use all reasonable efforts to defend its title to the Trademark against all claims of all persons whomsoever which could reasonably be expected to have a material adverse effect on the business of the Debtor, except with respect to liens created or permitted hereby.

c. Execute Addenda. Promptly upon the filing of any additional applications for registration of the Trademark (other than an application made solely for state trademark registration) and upon the issuance of any trademark registration, it shall, unless the Secured Party agrees otherwise in writing:

(i) execute an addendum to this Agreement, which addendum shall identify such trademark application or each trademark registration as necessary to perfect a security interest in the Trademark;

(ii) with respect to United States trademark applications or trademark registrations, cause such addendum to be recorded in the United States Patent and Trademark Office; and

(iii) upon request by the Secured Party, cause such addendum to be recorded with the trademark registration office of any state in the United States in which the Secured Party determines, in its sole discretion, that filing is necessary to perfect the Secured Party's security interest in the Trademark subject to such addendum.

d. Affix Notices. Whenever the Trademark is used by or on behalf of it, use its best efforts to affix or cause to be affixed, where necessary to protect all of its right, title and interest therein, a notice that the mark is a trademark or is registered, which notice shall be in a form accepted or required by the trademark marking laws of each province, territory or country in which the mark is so used.

4.02. Negative Covenants. Without the Secured Party's prior written consent, which the Secured Party in its sole discretion may or may not give, the Debtor covenants that it shall not license, transfer, convey or encumber any interest in or to the Trademark (other than as recognized herein) or take any action, or permit any action to be taken, or fail to take any action which individually or in the aggregate would affect the validity or enforceability of the Trademark or of the security interest of the Secured Party therein or which would otherwise violate any provision of any Loan Document.

4.03. Notice of Proceedings. The Debtor shall promptly notify the Secured Party, in writing, of any suit, action, proceeding or counterclaim brought against the Debtor relating to, concerned with, or affecting the Trademark in a manner potentially having a material adverse effect on the normal conduct of the business or on the profits of the Debtor and shall, on request, deliver to the Secured Party a copy of all pleadings, papers, orders or decrees theretofore and thereafter filed in any such suit, action or proceeding, and shall keep the Secured Party fully advised in writing of the progress of any such suit.

4.04. Infringement. In the event of any infringement of the Trademark by other persons, or in the event of any other conduct by other persons to the detriment of the Trademark, which has or in the future may have a material adverse effect on the business and operations of the Debtor, the Debtor shall promptly notify the Secured Party in writing of such infringement or other conduct and the full nature, extent, evidence and circumstances of such infringement or other conduct known to the Debtor. The Debtor shall take all reasonable steps to protect its interests and rights in the Trademark and shall provide the Secured Party written notice of all occurrences and developments with respect to the Trademark. If reasonably requested by the Secured Party, the Debtor shall send to the person committing such infringement or engaging in such other conduct, no later than thirty (30) calendar days after such request, a letter, in form and substance satisfactory to the Secured Party, by personal delivery or by U.S. first-class registered or certified mail (return receipt requested) demanding that such person cease and desist forthwith from committing such infringement or engaging in such other conduct. In the event that (a) within forty-five (45) calendar days thereafter, good faith negotiations between the Debtor and such other person have not commenced regarding the cessation of such infringement or other conduct or (b) negotiations commenced within such period, but thereafter cease to be carried on in good faith, the Debtor shall promptly bring and diligently and vigorously maintain an action to stop such infringement and other conduct unless the Debtor, with the concurrence of the Secured Party, concludes that such action would not be financially justified or would not have any effect on its business or operations. The Debtor shall diligently and vigorously maintain such action until a decision is obtained from which no review or appeal can or has been taken or until such action is resolved otherwise in a manner reasonably satisfactory to the Secured Party. If reasonably requested by the Secured Party, subject to other provisions of this Agreement, the Debtor shall assume and continue, at its own cost and expense, through counsel acceptable to the Secured Party, full and complete responsibility for the prosecution of any infringement of or other conduct adversely affecting the Trademark and otherwise defend and assure the grant, validity and enforceability of the Trademark, whether by judicial or nonjudicial means.

4.05. Payment of Charges and Claims. If the Debtor, at any time or times hereafter, shall fail to pay charges in respect of the Trademark when due or promptly obtain the discharge of such charges or of any lien, claim or encumbrance asserted against the Trademark, the Secured Party may, without waiving or releasing any obligation or liability of the Debtor hereunder or any Event of Default under any of the Loan Documents, in its sole discretion, at any time or times thereafter, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which the Secured Party deems advisable. All sums so paid by the Secured Party and any expenses incurred by the Secured Party on its behalf, including reasonable attorneys' fees,

court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Debtor to the Secured Party and shall be Secured Obligations secured by the collateral under any of the Loan Documents, including, without limitation, the Trademark.

Section 5. Secured Party's Rights and Remedies.

5.01. Remedies. Upon the occurrence and continuation of an Event of Default under any of the Loan Documents, the Secured Party shall have and may exercise any one or more of the rights and remedies provided to it under any of the Loan Documents or provided by any applicable law, including but not limited to, all of the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of New York, and the Debtor hereby agrees to make the collateral available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to the parties, authorizes the Secured Party to take possession of the collateral with or without demand and with or without process of law and to sell and dispose of the same at public or private sale and to apply the proceeds of such sale to the Secured Obligations in the order specified in the Loan Agreement, or as otherwise agreed to by the Secured Party. In addition to the foregoing, if an Event of Default shall occur and be continuing, the Secured Party may, by written notice to the Debtor and to the extent not prohibited by the laws of the State of New York, take any or all of the following actions: (i) declare the entire right, title and interest of the Debtor in and to the Trademark, together with all rights of protection to the same, vested, in which event such rights, title and interest shall immediately vest, in the Secured Party, in which case the Debtor agrees to execute an assignment in form and substance reasonably satisfactory to the Secured Party of all its rights, title and interest in and to the Trademark to the Secured Party; (ii) take and use or sell the Trademark and the goodwill of the Debtor's business symbolized by the Trademark and the right to carry on the business and use of the assets of the Debtor in connection with which the Trademark has been used; and (iii) direct the Debtor to refrain, in which event the Debtor shall refrain, from using the Trademark in any manner whatsoever, directly or indirectly, and, if requested by the Secured Party, execute such other and further documents that the Secured Party may request to further confirm this and to transfer ownership of the Trademark and registrations and any pending trademark application in the United States Patent and Trademark Office to the Secured Party.

5.02. Appointment of the Secured Party as the Debtor's Lawful Attorney. Upon the occurrence and during the continuation of an Event of Default under any of the Loan Documents, the Debtor irrevocably designates, makes, constitutes and appoints the Secured Party (and all persons designated by the Secured Party) as its true and lawful attorney (and agent-in-fact), and the Secured Party, or the Secured Party's agent, may, without notice to it take any action as the Secured Party reasonably deems necessary under the

circumstances to file, prosecute, defend, issue, maintain, enforce or otherwise take action in respect to the Trademark as required hereby, or to carry out any other obligation or duty of the Debtor under this Agreement, including, without limitation, the right to execute any assignment of the Trademark in the event any of the Secured Obligations are accelerated, or not paid when due, and the employment of counsel. The Debtor shall pay all fees and expenses, including attorneys' fees and expenses, incurred by the Secured Party in connection with such action and such fees and expenses shall form part of the Secured Obligations.

Section 6. Remedies Cumulative; etc. The rights, remedies and benefits of the Secured Party herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which the Secured Party may have under this Agreement, the Loan Agreement or any other Loan Document or at law, in equity, by statute or otherwise.

Section 7. Expenses. The Debtor will pay the Secured Party all expenses (including reasonable expenses for legal services of every kind) of, or incidental to, the preparation or filing of, or the performance or enforcement of any of the provisions of, this Agreement or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement of the Trademark and for the care of the Trademark and defending or asserting the rights and claims of the Secured Party in respect of the collateral, by litigation or otherwise, including but not limited to expenses of insurance and the fees and expenses of counsel for the Secured Party. All such expenses shall be Secured Obligations secured by the Trademark and the collateral under the Loan Documents.

Section 8. Indemnity. The Debtor will indemnify, save, and hold harmless the Secured Party against any and all claims relating to or arising out of (i) the preparation or administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, the Trademark, (iii) the exercise or enforcement of any of the rights, or the defense thereof, of the Secured Party hereunder or under the Loan Documents, or (iv) the failure of the Debtor to perform or observe any of the provisions hereof.

Section 9. No Delay; Waiver; etc. No delay on the part of the Secured Party in exercising any power or right hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof or the exercise of any other power or right. To the fullest extent permitted by law and except as otherwise provided for in this Agreement, the Debtor waives (a) all rights to notice of a hearing prior to the Secured Party's taking possession or control of, or to the Secured Party's reply, attachment or levy upon, the Trademark or any bond or security which might be required by any court prior to allowing the Secured Party to exercise any of



the Secured Party's remedies, and (b) the benefit of all valuation, appraisal and exemption laws. The Debtor acknowledges that it has been advised by counsel with respect to this Agreement, the waivers contained herein and the transactions evidenced by this Agreement.

Section 10. Further Assurances. The Debtor agrees to do such further acts and things and to pay the costs and expenses in connection with such acts (including, without limitation, the recording of the security interest with respect to the Trademark with any trademark office in any state, province, territory or country), and to execute and deliver or cause to be executed and delivered such supplemental documentation, additional conveyances, assignments, and similar instruments, as the secured party may at any time request in connection with the administration and enforcement of this Agreement or with respect to the Trademark or any part thereof or in order better to assure and confirm unto the Secured Party its rights and remedies hereunder or further to effectuate the purposes of this Agreement and to pay the costs and expenses in connection with such acts. The Debtor agrees that, where permitted under applicable law, a carbon, photographic or other reproduction, of this Agreement is sufficient as a recordable assignment.

Section 11. Modification. No amendment hereof shall be effective unless contained in a written instrument signed by the parties hereto.

Section 12. Notices. All notices and other communications provided to any party hereto under this Agreement shall be in writing or by facsimile and addressed, delivered or transmitted to such party at its address or facsimile number set forth below or below its signature hereto or at such other address or facsimile number as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid, shall be deemed given when received; any notice, if transmitted by facsimile, shall be deemed given when transmitted.

If to Debtor: Leisure Lady Cruise Corp.  
c/o Sentry Marine Services, Inc.  
13 Neil Drive  
Smithtown, New York 11787  
Attn: Mr. A. J. Siciliano  
Facsimile No.: (516) 360-3560

With copies to: Leisure Time Technology, Inc.  
5325-B Peachtree Corners East  
Norcross, Georgia 30092  
Attn: James J. Oden

and

Leisure Time Casinos & Resorts, Inc.  
1248 Miller Road  
Avon, Ohio 44052  
Attn: Mr. A. N. Johnson

If to Beneficiary: General Electric Capital Corporation  
Commercial Equipment Financing  
44 Old Ridgebury Road  
Danbury, Connecticut 06810-5105

With a copy to: Region Counsel  
General Electric Capital Corporation  
303 International Circle  
Suite 300  
Hunt Valley, Maryland 21031

Section 13. Termination. This Agreement shall terminate upon the payment in full and the performance and satisfaction of all Secured Obligations, and the expiration of all contingent and other obligations and liabilities of the Borrower under the Loan Documents; and upon any such termination the Secured Party will, at the Debtor's expense, execute and deliver to the Debtor such documents as the Debtor shall reasonably request to evidence such termination and release the security interest in the Trademark granted hereunder; provided, however, that this Agreement shall continue to be effective, or shall be automatically reinstated, as the case may be, if at any time payment, in whole or in part, of any of the Secured Obligations is reduced, rescinded or must otherwise be restored or returned by the Secured Party upon the bankruptcy, insolvency, dissolution, liquidation or reorganization of the Debtor or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the Debtor or any of its property or otherwise.

Section 14. Governing Law. This Agreement has been delivered and shall be deemed to have been made in New York and, shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the laws of the State of New York (exclusive of choice and conflict of laws provisions thereof to the extent allowed by law) except with respect to those matters regarding the Trademark to which the law of the United States or the law of a foreign sovereign jurisdiction applies.

Section 15. Consent to Jurisdiction. Any suit, action or proceeding against the Debtor arising out of or relating to this Agreement may be instituted in any court of competent jurisdiction in the State of New York, and the Debtor hereby irrevocably waives any objection which it may have or hereafter have to the laying of such venue of any such suit, action or proceeding and any claim that any such suit, action or proceeding has been brought in inconvenient forum, and the Debtor hereby irrevocably submits its person and property to the jurisdiction of any such court and any such suit, action or proceeding. The Debtor hereby consents to the

service of process in any suit, action or proceeding of the nature referred to in this paragraph by the mailing of the copy thereof by registered or certified mail, postage prepaid, or personally delivering a copy thereof to the Debtor, addressed to the address specified in Paragraph 12 hereof or at such other address as the Debtor may hereafter specify to the Secured Party in writing. Nothing in this paragraph shall affect the right of the Secured Party to serve process in any other manner permitted by law or limit the right of Secured Party to bring any such action or proceeding against the Debtor or its property in the courts of any other jurisdiction. The Debtor hereby irrevocably waives any objection to the laying of venue of any such suit or proceeding in the above described courts.

Section 16. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party and all grants, covenants, promises and agreements by or on behalf of the Debtor shall bind the successors and assigns of the Debtor and inure to the benefit of the successors, assigns and transferees of the Secured Party, provided that the Debtor shall not assign all or any portion of its rights, duties or obligations hereunder without the prior written consent of Secured Party.

Section 17. Severability. If any part of this Agreement is contrary to, prohibited by or deemed invalid under applicable laws or regulations, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given effect so far as possible. If any part of this Agreement is contrary to, prohibited by or deemed invalid under the applicable laws and regulations of one (1) jurisdiction, such provisions shall not thereby be rendered invalid in any other jurisdiction. Should any part or provision of this Agreement be deemed by a court or other governmental authority of competent jurisdiction to be an assignment of the Trademark or registration thereof so as to result in the Debtor's abandonment thereof, such part or provision (but no other) shall be construed as providing for a security interest and not an assignment, all in order to preclude such abandonment and, if such construction shall not be accepted by such court or other governmental authority such party or provision (but no other) shall be deemed null and void as to such trademark, trade name or registration thereof in the jurisdiction where abandonment might otherwise result.

Section 18. Headings. Section headings used herein are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 19. WAIVER OF JURY TRIAL. THE SECURED PARTY, IN ACCEPTING THIS AGREEMENT, AND THE DEBTOR, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY,

VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY RELATED INSTRUMENT OR AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY OF THEM. NEITHER THE SECURED PARTY NOR THE DEBTOR SHALL SEEK TO CONSOLIDATE, BY COUNTERCLAIM OR OTHERWISE, ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY EITHER THE SECURED PARTY OR THE DEBTOR EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY BOTH OF THEM.

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed by its duly authorized representative on this 30<sup>th</sup> JTB day of October, 1997.

DEBTOR:

Secured Party:

LEISURE LADY CRUISE CORP.

GENERAL ELECTRIC CAPITAL CORPORATION

By: [Signature]  
Vice President and Secretary

By: [Signature]

STATE OF Georgia SS:  
COUNTY OF Gwinnett

This instrument was acknowledged before me on October \_\_, 1997 by A.J. Sciarro, as VP/Sec. of/for LEISURE LADY CRUISE CORP.

[Signature]  
Notary Public

My commission expires: 12/28/97



SCHEDULE A

Federal Applications

Mark: LEISURE LADY  
App. No.: 75/392602  
Filed: ~~October~~ 19, 1997  
*November*