

09-08-1998

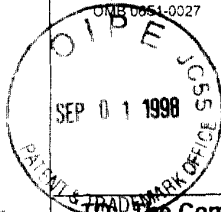


100822997

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

MRD 9-1-98



Submission Type

- New
- Resubmission (Non-Recordation)
Document ID # _____
- Correction of PTO Error
Reel # _____ Frame # _____
- Corrective Document
Reel # _____ Frame # _____

Conveyance Type

- Assignment
 - License
 - Security Agreement
 - Nunc Pro Tunc Assignment
 - Merger
 - Change of Name
 - Other _____
- Effective Date
Month Day Year
08281998

Conveying Party

Mark if additional names of conveying parties attached
Execution Date
Month Day Year

Name Thompson Intellectual Properties, Ltd 08281998

Formerly N/A

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other _____
- Citizenship/State of Incorporation/Organization New Hampshire

Receiving Party

Mark if additional names of receiving parties attached

Name USTrust

DBA/AKA/TA N/A

Composed of N/A

Address (line 1) 40 Court Street

Address (line 2) _____

Address (line 3) Boston MA 02108

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other trust company
- Citizenship/State of Incorporation/Organization _____

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

FOR OFFICE USE ONLY

09/08/1998 DNGUYEN 00000049 75377886

01 FC:481 40.00 OP
02 FC:482 100.00 OP

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Mail documents to be recorded with required cover sheet (S) INFORMATION MARK
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231
REEL: 1778 FRAME: 0523

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text" value="75/377,886"/>	<input type="text" value="75/378,032"/>	<input type="text"/>	<input type="text" value="1,030,013"/>	<input type="text" value="1,287,866"/>	<input type="text" value="1,473,059"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

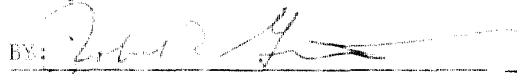
Statement and Signature

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. Charges to deposit account are authorized, as indicated herein.

Thompson Intellectual Properties, Ltd

Robert L. Gustafson, President

BY:



8-28-1998

Name of Person Signing

Signature

Date Signed

TRADEMARK COLLATERAL SECURITY AGREEMENT
AND CONDITIONAL ASSIGNMENT

This TRADEMARK COLLATERAL SECURITY AGREEMENT AND CONDITIONAL ASSIGNMENT (the "Assignment") dated as of August ~~27~~ 1998 is made by Thompson Intellectual Properties, Ltd., a New Hampshire corporation, having its principal place of business at Farming Hill, Rochester, New Hampshire 03866-5002 ("Assignor") in favor of USTrust, having a place of business at 40 Court Street, Boston, Massachusetts 02108 ("Assignee").

WHEREAS, pursuant to the terms of a Demand Loan and Security Agreement Accounts Receivable and Inventory dated as of August 28, 1998 (said Agreement, as it may hereafter be amended or otherwise modified from time to time, being hereinafter referred to as the "Loan Agreement", the terms defined therein and not otherwise defined herein being used herein as therein defined) between Assignor and Assignee, Assignee agreed to extend certain credit facilities to Assignor and Assignor granted Assignee a security interest in general intangibles.

WHEREAS, it is a condition concurrent to the making of the initial loans by Assignee under the Loan Agreement that Assignor shall grant the security interest contemplated by this Assignment to secure the payment and performance of the Obligations undertaken by it under the terms of the Loan Agreement.

WHEREAS, it is a condition precedent to the making of loans by Assignee under the Loan Agreement that Assignor shall have granted to Assignee a security interest in certain of Assignor's assets, including, without limitation, common law and statutory trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trademark and service mark registrations, applications for trademark or service mark registrations, trade dresses, designs, logos, trade styles, and any other indicia of origin and licenses thereunder, as well as all goodwill associated therewith and proceeds thereof (collectively the "Trademarks").

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

1. Incorporation of Loan Agreement. The Loan Agreement and the definitions and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.
2. Grant of Security: Conditional Assignment. To secure the complete and timely satisfaction of all the obligations (as defined in the Loan Agreement), Assignor hereby assigns and pledges to the Bank, a security interest in the entire right, title and

interest in the United States and throughout the world, in and to the following, whether now owned or hereafter acquired (the "Collateral"):

(a) Each of the Trademarks which are presently, or in the future may be, owned, held (whether pursuant to a license or otherwise) or used by Assignor, in whole or in part, in conducting its business including, without limitation, the United States trademark and service mark registrations, and applications for registration specifically identified in Schedule A attached hereto;

(b) all proceeds of the Trademarks (such as, by way of example and not by way of limitation, license royalties and proceeds of infringement suits);

(c) the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of Assignor or in the name of Assignee for past, present and future infringements of the Trademarks and all rights (but not obligations) corresponding thereto;

(d) all documents and things in Assignor's possession, or subject to its demand for possession, related to the production and sale by Assignor, or any subsidiary, licensee or subcontractor, of products or services sold by or under the authority of Assignor in connection with the Trademarks, including by way of example, without limiting the interest granted by the Supplementary Security Agreement: (i) all lists and ancillary documents which identify and describe any of Assignor's customers, or those of its subsidiaries or licensees, for products sold or services rendered under or in connection with the Trademarks, including without limitation, such existing lists and ancillary documents which contain each customer's full name and address, the full name and address of all of its warehouses and branches, the identity of the person or persons having the principal responsibility on each customer's behalf for ordering products or services of the kind supplied by Assignor, the credit, payment, discount, delivery and other sale terms applicable to such customer, together with detailed information setting forth the total purchases, by brand, product, style and size, and the patterns of such purchases; (ii) all product and service specification documents and production and quality control manuals used in the manufacture of products or provision of services sold under or in connection with the Trademarks; (iii) all documents which reveal the name and address of all sources of supply, and all terms of purchase and delivery, for all materials and components used in the production of products or provision of services, sold under or in connection with the Trademarks; and (iv) all documents constituting or concerning the then current or proposed advertising and promotion by Assignor or its subsidiaries or licensees of products or services sold under or in connection with the Trademarks including, by way of example and not in

limitation, all documents which reveal the media used or to be used and the cost for all such advertising conducted within the described period or planned for such products or services.

In addition to, and not by way of limitation of, the pledge and mortgage of the Collateral set forth above, Assignor hereby, effective upon the occurrence of an Event of Default assigns, grants, sells, conveys, transfers and sets over to Assignee for its benefit all of Assignor's rights, title and interest in and to the Trademarks.

3. Inspection Rights. Assignor hereby grants to Assignee and any and all of its employees, representatives and agents the right to visit Assignor and any of its subsidiaries, or subcontractor's plants and facilities which manufacture, inspect or store products or provide services (or which have done so during the prior six-month period) sold under any of the Trademarks, and to inspect the products and services and quality control records relating thereto upon reasonable notice to Assignor and as often as may be reasonably requested.

4. Representations and warranties. Assignor covenants and warrants as follows:

(a) A true and complete list of all common law trademarks and all United States trademark and service mark registrations and applications for registration (the "U.S. Registrations") owned, held (whether pursuant to a license or otherwise) or used by Assignor, in whole or in part, in conducting its business is set forth in Schedule A hereto;

(b) The Trademarks are subsisting and have not been adjudged invalid or unenforceable and Assignor is not aware of any claim by any third party that the Trademarks are invalid or unenforceable;

(c) To the best of Assignor's knowledge, each of the Trademarks is valid and enforceable;

(d) No claim has been made that the practice of any of the Trademarks does or may violate the rights of any third person; and

(e) Assignor is the legal and beneficial owner of the Collateral free and clear of any lien, security interest, charge or encumbrance including, without limitation, pledges, assignments, licenses, shop rights and covenants by Assignor not to sue third persons, except for the security interest and conditional assignment created by this Assignment and Liens permitted under Section 14(e) of the Loan Agreement. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favor of Assignee relating to this Assignment or for

which duly executed termination statements have been recorded or delivered to Assignee.

5. New Trademarks and Applications. If, during the term of the Loan Agreement, Assignor shall obtain rights to any new Trademarks, the provisions of this Assignment shall automatically apply thereto. With respect to new U.S. Registrations, Assignor shall give to Assignee prompt notice thereof in writing.

6. Assignor's Covenants. On a continuing basis, Assignor will make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments, including, without limitation, appropriate financing and continuation statements and collateral agreements, and take all such action as may reasonably be deemed necessary or advisable by Assignee to carry out the intent and purposes of this Assignment, or for assuring and confirming to Assignee the grant or perfection of a security interest in all Collateral. Without limiting the generality of the foregoing sentence, Assignor (i) will not enter into any agreement which would or might in any way impair or conflict with Assignor's obligations hereunder without Assignee's prior written consent; (ii) upon the written request of Assignee, use its best efforts to obtain any necessary consents of third parties to the grant or perfection of a security interest to Assignee with respect to the Collateral; (iii) authorizes Assignee in its sole discretion to modify this Assignment without first obtaining Assignor's approval of or signature to such modification by amending Schedule A thereof to include reference to any right, title or interest in any existing U.S. Registration and any U.S. Registration acquired by Assignor after the execution hereof or to delete any reference to any right, title or interest in any U.S. Registration in which Assignor no longer has or claims any right, title or interest; (iv) will, from time to time, upon Assignee's request, cause its books and records to be marked with such legends or segregated in such manner as Assignee may reasonably specify, and take or cause to be taken such other action and adopt such procedures as Assignee may reasonably specify to give notice of or to perfect the security interest in the Collateral intended to be created hereby; (v) will at all times keep at least one complete set of its records concerning substantially all of the Trademarks at its chief executive office or principal place of business as set forth above and will not change the location of its chief executive office or such records without giving Assignee at least 30 days prior written notice thereof; (vi) will promptly, following its becoming aware thereof, notify Assignee of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office or any United States or foreign court or agency regarding Assignee's claim of ownership in any of the Collateral; (vii) concurrently with the filing of an application for registration of any trademark, will execute, deliver and record in all places where this Assignment is recorded an appropriate Trademark Collateral Security Agreement and Conditional Assignment, substantially in the form hereof, with appropriate insertions to the extent of its interest therein; (viii) will not permit the inclusion in any contract to which it becomes a party of any provisions which could or might in any way impair or prevent the creation of a security interest in Assignor's rights and interest in any property included within the definition of the

Collateral acquired under such contracts; (ix) will properly maintain and care for the Collateral; (x) will not grant any security interest in any Collateral except in the name of Assignee; (xi) except as provided in Section 8 hereof, will not sell, license, or contract for sale or otherwise dispose of any of the Collateral; (xii) upon any officer of Assignor obtaining knowledge thereof, will promptly notify Assignee in writing of any event which may materially adversely affect the value of any of the Collateral, the ability of Assignor or Assignee to dispose of any of the Trademarks or the rights and remedies of Assignee in relation thereto including, without limitation, the levy of any legal process against any of the Collateral; (xiii) until Assignee exercises its rights to make collection, will diligently keep reasonable records respecting the Collateral; (xiv) will promptly notify Assignee of any suspected infringement of any of the Trademarks by any third party and of all steps, including the commencement and course of litigation, taken to remedy such infringement; and (xv) will use proper statutory notice in conjunction with each of the U.S. Registrations.

7. Amounts Payable in Respect of the Trademarks. Except as otherwise provided in this Section 7 or in the Loan Agreement, Assignor shall continue to collect, at its own expense, all amounts due or to become due Assignor in respect of the Trademarks. Upon the occurrence and during the continuance of an Event of Default, Assignee is hereby given full power and authority, without notice or demand, (i) to notify any and all obligors with respect to any Trademark which Assignor, except for the execution hereof, could ask for, and (ii) to demand, take, collect, sue for and receive for its own use all amounts due or to become due Assignor in respect of the Trademarks, and in connection therewith to enforce all rights and remedies with respect to any Trademark which Assignor could enforce if this Assignment had not been made; and Assignor hereby ratifies any action which Assignee shall lawfully take to enforce Assignee's rights hereunder. Whether or not Assignee shall have so notified any obligors, Assignor shall at its expense render all reasonable assistance to Assignee in enforcing claims against such obligors.

8. Trademark Applications, Renewal and Litigation. Assignor shall have the duty, through counsel acceptable to Assignee, to prosecute diligently any application for trademark registration of the U.S. Registrations specifically identified in Schedule A annexed hereto pending as of the date of this Assignment or thereafter during the term of the Loan Agreement, to make U.S. application on any existing or future unregistered but registrable Trademark (except those having immaterial commercial value or not deemed by the Assignor to be necessary to the Assignor's business) and to preserve, renew and maintain all Trademarks as to which a security interest has been granted pursuant to this Assignment. Any expenses incurred in connection with such an application, or in protecting, renewing, maintaining or preserving the Trademark, shall be borne by Assignor.

Except as provided in Section 10 and notwithstanding Section 2, Assignor, through counsel acceptable to Assignee, shall have the right and obligation to commence and diligently prosecute in its own name, as real party in interest, for its own

benefit and at its own expense, such suits, proceedings or other actions for infringement, or other damage or opposition or cancellation proceedings as are reasonable to protect any of the Trademarks. However, no such suit, proceeding or other action shall be settled or voluntarily dismissed, nor shall any party be released or excused of any claims of or liability for infringement, without the prior written consent of Assignee. Assignee shall provide all reasonable and necessary cooperation in connection with any such suit, proceeding or action, including without limitation, joining as a necessary party. Assignor shall indemnify and hold harmless Assignee for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (including attorneys' fees) of any kind whatsoever which may be imposed on, incurred by or asserted against Assignee in connection with or in any way arising out of such suits, proceedings or other actions.

9. Assignment Upon Default. If any Event of Default shall have occurred and be continuing, upon the written demand of Assignee, Assignor shall execute and deliver to Assignee an assignment or assignments of the Collateral and such other documents as are necessary or appropriate to carry out the intent and purpose of this Assignment; provided that the failure of Assignee to comply with such demand will not impair or affect the validity of the conditional assignment effected by Section 2. Furthermore, if any Event of Default shall have occurred and be continuing, Assignor agrees that such an assignment (including, without limitation, the conditional assignment effected by Section 2) and/or recording shall be applied to reduce the obligations outstanding only to the extent that Assignee receives cash proceeds in respect of the sale of, or other realization of, the Collateral. Within five Business Days of written notice thereafter from Assignee, Assignor shall make available to Assignee, to the extent within Assignor's power and authority, such personnel in Assignor's employ on the date of the Event of Default as Assignee may reasonably designate by name, title or job responsibility, to permit Assignor to continue, directly or indirectly, to produce, advertise and sell the products and services sold by Assignor under the Trademarks, such persons to be available to perform their prior functions on Assignee's behalf and to be compensated by Assignee on a per diem, pro rata basis consistent with the salary and benefit structure applicable to each as of the date of such Event of Default.

10. Trademark Litigation - After Default. Upon the occurrence and during the continuation of an Event of Default, Assignee shall have the sole right but shall in no way be obligated to bring suit to enforce the Trademarks and any license thereunder, in which event Assignor shall at the request of Assignee do any and all lawful acts and execute any and all proper documents required by Assignee in aid of such enforcement and Assignor shall promptly, upon demand, reimburse and indemnify Assignee for all costs and expenses incurred by Assignee in the reasonable exercise of its rights under this Section 10.

11. Amendments, etc. No amendment or waiver of any provision of this Assignment nor consent to any departure by the Assignor herefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and

then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given, except as provided in Section 6, in which case the writing need only be signed by Assignee.

12. Addresses for Notices. All notices and other communications to any party provided for hereunder shall be in writing (including teletransmission communications) and mailed or telecopied or delivered to such party, addressed to it at the address of such party specified in the Loan Agreement or if not so specified, the address first stated herein, or as to either party at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications shall, when mailed, telegraphed, telecopied or cabled, be effective when deposited in the mails delivered to the telegraph company, confirmed by telecopy answer back or delivered to the cable company respectively, addressed as aforesaid.

13. Continuing Security Interest, Transfer of Notes. This Assignment shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until indefeasible payment in full of the Obligations and the termination of the commitment to make additional loans, (ii) be binding upon Assignor, its successors and assigns and (iii) inure to the benefit of Assignee and its successors, transferees and assigns. Without Limiting the generality of the foregoing clause (iii), Assignee may assign or otherwise transfer any Note held by it to any other person or entity, and such other benefits in respect thereof granted to Assignee herein or otherwise. Upon the payment in full of the Obligations, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to Assignor, subject to any disposition thereof which may have been made by Assignee pursuant hereto or pursuant to the Loan Agreement. Upon any such termination, Assignee will, at Assignor's expense, execute and deliver to Assignor such documents as Assignor shall reasonably request to evidence such termination.

14. Governing Law; Terms. This Assignment shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts.

15. Cumulative Remedies; Power of Attorney; Effect on Security Agreement. All of the Assignee's rights and remedies with respect to the Collateral, whether established hereby or by the Supplementary Security Agreement executed by the Assignor, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Assignor hereby authorizes and empowers the Assignee, upon the occurrence of an Event of Default to make, constitute and appoint any officer or agent of the Assignee as Assignor's true and lawful attorney-in-fact, with power (i) to endorse Assignor's name on all applications, documents, papers and instruments necessary or desirable for the Assignee in the use of the Collateral, or (ii) to take any other actions with respect to the Collateral as the Assignee deems in the best interest of the Bank or, (iii) from and after the occurrence of an Event of Default, to grant or issue an exclusive or non-exclusive license to the Trademarks to anyone, or

(iv) to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone. Assignor hereby acknowledges and agrees that this Assignment is not intended to limit or restrict in any way the rights and remedies of the Assignee under the Supplementary Agreement executed by the Assignor but rather is intended to facilitate the exercise of such rights and remedies. The Agent shall have, upon the occurrence and during the continuation of an Event of Default, in addition to all other rights and remedies given it by this Assignment, those rights and remedies allowed by law and the rights and remedies of a secured party on default under the Uniform Commercial Code as enacted in The Commonwealth of Massachusetts at that time.

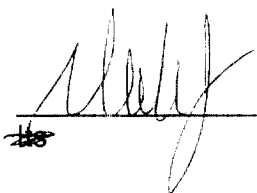
16. Counterparts. This Assignment and any amendments, waivers, consents or supplements may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same.

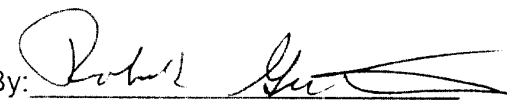
17. Severability. The provisions of this Assignment are severable, and if any clause or provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction,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

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

ATTEST:

THOMPSON INTELLECTUAL PROPERTIES, LTD.



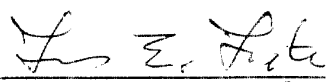
By: 

Its President

~~[(CORPORATE SEAL)]~~

Agreed and Accepted this 28
day of August, 1998

USTRUST

By: 

(title) UP

STATE OF NEW HAMPSHIRE

SS.:

COUNTY OF Milborough

The foregoing Trademark Collateral Security Agreement and Conditional Assignment was executed and acknowledged before me this 28th day of August, 1998, by Robert L. Gustafson and [Signature] personally known to me to be the President and Secretary, respectively, of Thompson Intellectual, Ltd., a New Hampshire corporation, on behalf of such corporation.

(SEAL)

[Signature]
My Commission expires: Notary Public
May 23, 2002

SCHEDULE A

TO TRADEMARK COLLATERAL SECURITY AGREEMENT
AND CONDITIONAL ASSIGNMENT

U.S. TRADEMARKS REGISTERED

The following is a list of the common law trademarks that Assignor has registered in its name or otherwise has an interest:

NAME

DESCRIPTION

Contender (renewed)	1,030,013	01-13-76
Maxi-Ball	1,287,866	07-31-84
Encore (applied for)	75/377,886	10-23-97
Maxi Hunter	1,473,059	01-19-88
Encore and Design (applied for)	75/378,032	10-23-97