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Patent and Trademark Office

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Send original documents or copy thereof.

To the Honorable Commiss

1998 OCT 21 P 12:40

1. Name of conveying party(ies):

FASTSHIP, INC.

- Individual(s)
- General Partnership
- Corporation-Delaware
- Other
- Association
- Limited Partnership

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

2. Name and address of receiving party(ies):

Name: Forrest E. Mars, Jr.

Internal Address: _____

Street Address: 6885 Elm Street

City: McLean State: VA ZIP: 22101

Individual(s) citizenship U.S.

- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other

If Assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designation must be a separate document from Assignment)

Additional name(s) & addresses(es) attached? Yes No

3. Nature of Conveyance:

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

Execution Date: _____

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

A. Trademark Application No.(s)

FASTSHIP ATLANTIC, Serial No. 75/480274

FASTSHIP PACIFIC, Serial No. 75/480273

B. Trademark registration No.(s)



10-21-1998

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #39

Additional numbers attached? Yes No

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

Name: DYER ELLIS & JOSEPH

Internal Address: Attn: Lynne Benson

Street address: 600 New Hampshire Ave., NW, Suite 1100

City: Washington State: DC ZIP: 20037

6. Total number of application and registrations involved: _____

2

7. Total fee (37 CFR 3.41):

\$ 65.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number: _____

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

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Kathryn Riepe Chambers

Name of Person Signing

Signature

8/26/98

Date

11/15/1998 DNGUYEN 00000100 75480274

Total number of pages comprising cover sheet: _____

1

01 FC:481
02 FC:482

40.00 OP
25.00 OP

Mail documents to be recorded with required cover sheet information to:

Assistant Commissioner for Trademarks
Box Assignments
2900 Crystal Drive
Arlington, VA 22202-8513

TRADEMARK
REEL: 1814 FRAME: 0793

LOAN AGREEMENT

THIS AGREEMENT is made as of August 26, 1998, by and among FASTSHIP, INC., a Delaware corporation ("Borrower"), THORNYCROFT, GILES & CO., INC., a Delaware corporation ("TGC"), and FORREST E. MARS, JR. ("Lender").

WITNESSETH:

WHEREAS, Borrower wishes to borrow, and Lender wishes to lend, \$250,000 on the terms and conditions contained herein; and

WHEREAS, the purpose of this loan is to permit Borrower to fund short-term working capital needs to allow Borrower to complete negotiations with outside investors for permanent financing and capital investment.

NOW THEREFORE, in consideration of the premises, of the mutual covenants herein contained, and of other good and valuable consideration, the receipt and adequacy of which the parties hereby acknowledge, the parties hereto agree as follows:

1. Amount and Term of Loan. Lender agrees to lend \$250,000 (the "Principal Amount") to Borrower on the terms and conditions contained herein. Borrower agrees to repay Lender the Principal Amount together with simple interest at the rate of 8.5 percent per annum on the Principal Amount from the date of this Agreement until all amounts due hereunder are paid in full.

2. Promissory Note. The borrowing shall be evidenced by a promissory note in the form of Exhibit A attached hereto (the "Note"). Borrower shall execute and deliver a Note to Lender which shall be dated the date hereof.

3. Repayment. Borrower shall repay the outstanding Principal Amount (as evidenced by the Note) and all accrued interest to Lender on June 30, 1999. Lender shall receive such repayment in United States Dollars which shall be deposited by wire transfer into an account designated by Lender. The Principal Amount due hereunder may be prepaid at any time, without penalty or premium, in whole or in part, upon payment of all accrued interest on the amount prepaid to the date of such prepayment. Notice of prepayment shall be given to Lender not less than 10 days prior to the date of such prepayment.

4. Security. To secure the complete and timely satisfaction of all obligations assumed by Borrower under this Agreement, Borrower and TGC, a wholly owned subsidiary of Borrower, grant to and creates in favor of Lender, a first priority security interest (the "Security Interest") in all of their interest in and to their respective patents, trademarks and other intellectual property rights set forth in Exhibit B of this Agreement. The Security Interest shall be shared *pari passu* with (i) the holders of those certain convertible notes due March 16, 2000 and July 20, 2000 issued by Borrower, (ii) persons

or entities that may provide debt financing to Borrower in the future in an amount not to exceed \$9.75 million, and (iii) Ronald F. Cornelison and Collister Johnson, Jr. in connection with their respective secured promissory notes dated March 17, 1997 in the aggregate principal amount of \$150,000 each.

5. Representations of Borrower. Borrower represents and warrants as follows:

(a) It is duly organized and validly existing in good standing under the laws of the State of Delaware and has full power, authority, and legal right to borrow the sum and incur the liabilities provided for hereunder, to execute and deliver this Agreement and the Note, and to perform and observe the terms and provisions hereof, and this Agreement and the Note constitute the legal, valid, and binding obligation of Borrower enforceable against Borrower in accordance with their terms.

(b) This Agreement and the Note have been duly and properly executed by an authorized representative of Borrower, and the execution, delivery, and performance by Borrower of this Agreement and the Note have been duly authorized by all necessary action and do not and will not violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award presently applicable to Borrower or the Articles of Incorporation or By-laws of Borrower, and do not and will not constitute (or would not constitute with notice or lapse of time) a breach or default under any agreement, contract, or understanding to which Borrower is bound.

6. Covenants of Borrower. So long as the amounts borrowed by Borrower pursuant to this Agreement shall remain unpaid, Borrower shall, unless Lender shall otherwise consent in writing:

(a) Use the proceeds received hereunder for short-term working capital;

(b) Not make any loans to, or enter into other transactions with, officers, directors, shareholders, subsidiaries, or other affiliates of Borrower other than in the ordinary course and on terms not less favorable than could be obtained with unaffiliated persons, but in any such case with the right of payment subordinated to the right of payment of the Note; provided that the restrictions set forth in this subsection (b) shall not apply to loans made on a commercially reasonable basis to, or other transactions with, TGC and FastShip Atlantic, Inc. approved by Borrower's Board of Directors;

(c) Not approve or pay any cash dividends or cash distributions with respect to the equity securities of Borrower or the redemption or repurchase of such securities; and

(d) Maintain adequate books and records that fairly reflect Borrower's transactions and provide Lender with access to such books and records upon three days written notice.

7. Default. The occurrence of any of the following shall be deemed a "Default" hereunder:

(a) Borrower shall fail to pay the outstanding Principal Amount and accrued interest on the Repayment Date;

(b) Borrower shall be adjudicated bankrupt or insolvent, or admit in writing its inability to pay its debts as they mature, or make an assignment for the benefit of creditors;

(c) Any representation or warranty made by Borrower in this Agreement or in the Note shall prove when made to have been incorrect in any material respect;

(d) Borrower fails in the performance, observance, or compliance of any term, covenant, agreement, or obligation contained in this Agreement or in the Note; or

(e) The occurrence of an event of default under any agreement evidencing outstanding indebtedness of Borrower for borrowed money, which event of default shall not have been cured or waived.

8. Remedies. Upon the occurrence of a Default under Section 7 herein, Borrower shall have three days from the date of receiving written notice of such Default to cure a monetary deficiency and 15 days from such date to cure a non-monetary deficiency pertaining to clauses (c) or (d) of Section 7. In the event that Borrower fails to cure the deficiency within such period and upon the occurrence of a Default under clauses (b) and (e) of Section 7, the Default shall become an "Event of Default." If any Event of Default shall have occurred, then Lender may, by written notice to Borrower, declare the outstanding Principal Amount and accrued interest immediately due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by Borrower. Borrower shall be responsible for all attorneys' fees and costs of Lender related to the enforcement of this Agreement and the Note.

9. Notices. All notices, consents, approvals, requests, instructions, and other communications required by or related to this Agreement shall be in writing and shall be delivered personally or shall be sent by registered or certified mail, return receipt requested, or by telex or facsimile transmission, to the receiving party at the following address and communication numbers:

If to Borrower: FastShip, Inc.
123 Chestnut Street, Suite 204
Philadelphia, PA 19106
Tel: (215) 574-1770
Fax: (215) 574-1775
Attn: Roland K. Bullard II

If to TGC: Thornycroft, Giles & Co., Inc.
123 Chestnut Street, Suite 204
Philadelphia, PA 19106
Tel: (215) 574-1770
Fax: (215) 574-1775
Attn: Kathryn Riepe Chambers

If to Lender: Mr. Forrest E. Mars, Jr.
Mars, Inc.
6885 Elm Street
McLean, VA 22101
Tel: (703) 821-4900
Fax: (703) 448-9678

Either party may change its address or communication numbers listed above by notifying the other party of such change in the manner prescribed by this Section 9.

10. Amendment. This Agreement may be amended or supplemented at any time only by written instrument executed by the parties hereto.

11. Waiver. Lender shall not be deemed to have waived any rights or remedies hereunder unless such waiver is in writing and signed by Lender, and then only to the extent specifically set forth in writing. No delay on the part of Lender 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 any other or further exercise thereof or the exercise of any other power or right. Borrower hereby waives presentment, demand for payment, notice of dishonor, and any and all other notices or demands in connection with the delivery, acceptance, performance, default, or enforcement of this Agreement.

12. Costs and Expenses. Borrower shall pay for all costs and expenses arising from this transaction, provided, however, that Lender shall bear the costs and expenses of his own legal counsel.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware except in regards to the provisions governing choice of laws.

14. Severability. Each term or provision of this Agreement shall be valid and enforceable to the full extent permitted by law. Should any term or provision in this


Agreement be held invalid, illegal, or unenforceable, the remainder of this Agreement, including the application of such term to the extent not invalid, illegal, or unenforceable, shall not be affected thereby and this Agreement shall be interpreted as if such term or provision, to the extent invalid, illegal, or unenforceable, did not exist.

15. Counterparts. This Agreement may be executed and delivered, including execution and delivery by facsimile transmission, in counterparts, each of which shall be deemed an original and together shall constitute one and the same instrument.

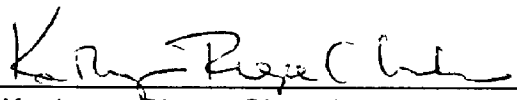
16. Entire Agreement. This Agreement constitutes the full and complete understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements, arrangements, and understandings, oral or written, between the parties hereto with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the date first above written.

FASTSHIP, INC.

By: 
Roland K. Bullard II
President

THORNYCROFT, GILES & CO., INC.

By: 
Kathryn Riepe Chambers
Secretary

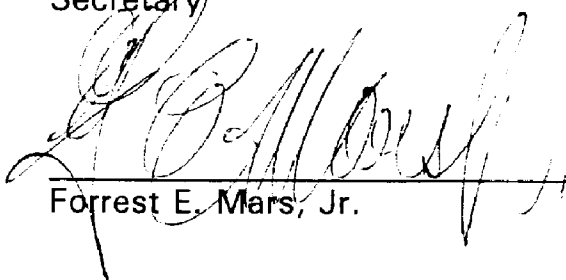

Forrest E. Mars, Jr.

EXHIBIT A

SECURED PROMISSORY NOTE

\$ 250,000

August 26, 1998

FOR VALUE RECEIVED, FASTSHIP, INC., a Delaware corporation ("Borrower"), promises to pay to Forrest E. Mars, Jr. ("Lender"), the principal amount of \$250,000, together with interest at the rate of 8.5 percent per annum on the principal balance hereof from the date hereof until this Note is paid in full.

The outstanding principal balance of this Note, together with accrued and unpaid interest thereon, shall be due and payable on June 30, 1999; provided, however, the principal due hereunder may be prepaid at any time, without penalty or premium, in whole or in part, upon payment of all accrued interest on the amount prepaid to the date of such prepayment. Notice of prepayment shall be given to Lender not less than 10 days prior to the date of such prepayment. If the day upon which any payment of interest or principal due hereunder is not a banking day in the State of Delaware, such payment shall be due and payable on the next day that is a banking day in such jurisdiction.

The terms and conditions of that certain Loan Agreement dated as of August 26, 1998 (the "Loan Agreement"), are incorporated herein by reference and are hereby referenced for a description of the right of the maker to anticipate payment hereof, the condition upon which the repayment may be accelerated by the holder, and the other terms and conditions upon which this note is issued.

Lender shall have a first priority security interest (the "Security Interest") in the patents, trademarks and other intellectual property rights of Borrower and Thornycroft, Giles & Co., Inc., a wholly owned subsidiary of Borrower, set forth in Exhibit B of the Loan Agreement. The Security Interest shall be shared *pari passu* with (i) the holders of those certain convertible notes due March 16, 2000 and July 20, 2000 issued by Borrower, (ii) persons or entities that may provide debt financing to Borrower in the future in an amount not to exceed \$9.75 million, and (iii) Ronald F. Cornelison and Collister Johnson, Jr. in connection with their respective secured promissory notes dated March 17, 1997 in the aggregate principal amount of \$150,000 each.

This Note shall be governed by and construed in accordance with the laws of the State of Delaware except in regards to the provisions governing choice of laws.

FASTSHIP, INC.

By: _____
Roland K. Bullard II
President

EXHIBIT B

Patents

1. U.S. Patent Number 5,080,032, issued January 14, 1992.
2. U.S. Patent Number 5,129,343, issued July 14, 1992.
3. U.S. Patent Number 5,231,946, issued August 3, 1993.
4. European Community Patent Number 90912549.4.

Patent Applications

1. U.S. Patent Application, Docket No. 562.35493X00, filed June 9, 1997 (Application was accepted in June 1998 but no patent number has yet been issued by the PTO).
2. Japanese Application Number 511843/90, filed September 20, 1990.
3. Japanese Application Number 510628/92, filed October 1, 1993.
4. South Korean Application Number 92-700812, filed April 8, 1992.
5. South Korean Application Number 92-702962, filed October 2, 1993.

Note: The Japanese and South Korean patent offices have recently issued patents based on these applications. In the process of updating this information and will provide a revised exhibit as soon as it is available.

6. Norway Patent Application P921423.
7. Finland Patent Application 921601.

Trademark Applications

1. FASTSHIP ATLANTIC in Block Letters, filed May 6, 1998.
Serial Number 75/480,274
2. FASTSHIP PACIFIC in Block Letters, filed May 6, 1998.
Serial Number 75/480,273

Note: Pfastship Software Systems, Ltd. of Irvine, CA uses the mark **PF**FASTSHIP in connection with the sale of computer software programs.