

09-28-1999

FORM PTO-1594
(Rev. 6/93)



U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

REC

101156426
TRADEMARKS ONLY

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MRD 9-23-99

Attorney's Docket No. 030990-004

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

1. Name of conveying party(ies):

Sippican, Inc.

- Individual(s)
- General Partnership
- Corporation-Massachusetts
- Association
- Limited Partnership

Other: _____

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Merger
- Change of Name

Other: _____

Execution Date: June 11, 1999

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

Name: BankBoston, N.A.

Address: 100 Federal Street

Boston, Massachusetts 02110

- Individual(s) Citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- Other National Banking Association

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 registration number(s):

A. Trademark Application No.(s)

75/427,429

B. Trademark Registration No.(s)

Additional numbers attached? Yes No

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

Name: Bassam N. Ibrahim, Esquire

Address: BURNS, DOANE, SWECKER & MATHIS, L.L.P.

P.O. Box 1404

Alexandria, Virginia 22313-1404

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41): \$ 40.00

Enclosed

Authorized to be charged to deposit account, if necessary

8. Deposit account number:

02-4800

09/27/1999 MTHA11 00000108 75427429

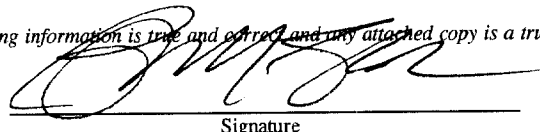
01 FD-481 40.00 GP

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.

Bassam N. Ibrahim, Esquire
Name of Person Signing


Signature

September 23, 1999
Date

Total number of pages including cover sheet, attachments, and document: 24

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

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 001965 FRAME: 0793

TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement (this "Trademark Security Agreement") is made this 11th day of June, 1999, by SIPPICAN, INC., a Massachusetts corporation (hereinafter called "Borrower"), in favor of BANKBOSTON, N.A., a national banking association organized and existing under the laws of the United States of America, with its principal office located in the City of Boston, Massachusetts (hereinafter called "Secured Party"), in the following circumstances:

A. On November 21, 1997, Secured Party made a revolving credit loan to Borrower in the maximum principal amount of \$5,000,000, which loan was increased and modified by the Second Modification to Loan Documents dated July 1, 1998 by and between Secured Party and Borrower (the "Second Modification") (as modified, the "Revolving Credit Loan") and a term loan to Borrower in the maximum principal amount of \$12,000,000 (the "Term Loan"; together with the Revolving Credit Loan hereinafter collectively, the "Loans"), which loans are evidenced by (i) a Revolving Credit Note dated November 21, 1997 in the original principal amount of \$5,000,000, made by Borrower in favor of Secured Party, which Revolving Credit Note was increased and modified by the Second Modification (as modified, the "Revolving Credit Note"), and (ii) a Term Note dated November 21, 1997 in the original principal amount of \$12,000,000, made by Borrower in favor of Secured Party, which Term Note was modified by the Third Modification to Credit Agreement dated September 29, 1998 by and between Secured Party and Borrower (the "Third Modification") (as modified, the "Term Note"; together with the Revolving Credit Note hereinafter collectively, the "Notes"). The loans are governed, in part, by the Credit Agreement dated November 21, 1997, by and between Borrower and Secured Party, which Credit Agreement was modified by the First Modification to Credit Agreement and Security Instruments dated January 29, 1998 by and between Secured Party and Borrower (the "First Modification"), further modified by the Second Modification, further modified by the Third Modification, and further modified by the Fourth Modification to Credit Agreement dated December 17, 1998 by and between Secured Party and Borrower (the "Fourth Modification") (as so modified and amended, the "Credit Agreement"). All capitalized terms used herein which are not otherwise defined herein shall have the same meaning given to such terms as set forth in the Credit Agreement.

B. Borrower has requested that Secured Party modify certain terms and conditions of the Credit Agreement, and Secured Party has agreed to Borrower's request, but only on the condition that Borrower enter into this Trademark Security Agreement to secure all of Borrower's obligations of payment and performance under the Loans, the Notes and the Credit Agreement (collectively, the "Obligations").

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Grant of Security Interest. In order to secure the complete and timely satisfaction of the Obligations owing from Borrower to Secured Party, Borrower represents that it now possesses the sole and complete ownership rights to the business assets to be covered by this Trademark Security Agreement and that it has not granted a security interest or otherwise pledged, mortgaged, transferred, assigned or licensed any part of its rights in said business assets to any party other than Secured Party, and Borrower hereby pledges, mortgages, and grants a first priority security interest to Secured Party in and to the following:

(i) All of Borrower's rights, title and interest of whatever nature in and to the Trademarks and U.S. Trademark Registrations and Applications set forth in Exhibit A attached hereto (collectively, the "Trademarks") and all trade names and logos used therewith.

(ii) The Trademarks and the goodwill associated therewith or connected thereto, including but not limited to, (a) any similar marks or amendments, modifications and renewals thereof and the goodwill represented by the Trademarks; (b) all rights to income, royalties, profits, damages, or other rights relating to Trademarks; and (c) any other rights and benefits relating to the Trademarks including any rights as a licensor or licensee of them.

2. No Liens, etc. Borrower agrees that it will not, without the prior written consent of Secured Party, assign or transfer, pledge, mortgage, license or allow a security interest or lien to be taken by anyone other than Secured Party in the Trademarks or take any other acts which are contrary to or inconsistent with the rights granted to Secured Party in this Trademark Security Agreement and will not cease use of the Trademark or take any action or fail to take any action which will result in the cancellation or expiration of any of the Trademarks without the prior written agreement of Secured Party.

3. Borrower's Obligation to Maintain and Enforce. Borrower further agrees that it has the obligation, at its own cost, unless otherwise consented to in writing by Secured Party:

(i) To take all actions necessary to properly maintain and renew all registrations or Trademarks which are or may become subject to this Trademark Security Agreement for the full term or terms allowed by law, including but not limited to, the appropriate and timely payment of any required fees and the appropriate and timely filing of any documents or declarations necessary to maintain and renew said registrations which may be necessary or appropriate under applicable law.

(ii) To file new applications to register and protect under applicable law all trademarks acquired by Borrower but for which applications have not previously been filed or to take all other actions necessary to cause registrations for trademarks to be issued as a result of said applications.

(iii) To protect the Trademarks from infringement, unfair competition or dilution or damage by all appropriate actions including the commencement of legal action to prevent and recover damages for said infringement, unfair competition or damage including the defense of any legal action making such claims.

4. Reporting Requirements. Borrower agrees to provide written semi-annual reports to Secured Party informing it of: (a) the status of the Trademarks subject to this Trademark Security Agreement including any new trademark registrations, trademark applications, and (b) any actions taken by Borrower pursuant to this Trademark Security Agreement.

5. After Acquired Property. If Borrower shall obtain rights to or become entitled to the benefit of any new trademarks, registered trademarks or trademark applications before its obligations to Secured Party as set forth in this Trademark Security Agreement have been satisfied in full, the provisions of this Trademark Security Agreement shall automatically apply thereto and Borrower hereby authorizes Secured Party to modify or update this Trademark Security Agreement accordingly.

6. Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default" or "Events of Default" hereunder:

(i) Occurrence of an Event of Default, as therein defined, under the Credit Agreement, the Notes or the Security Agreement (as hereinafter defined); or

(ii) Default in the observance or performance of any covenant or agreement of Borrower herein set forth continuing for a period of thirty (30) days after the giving of written notice thereof by Secured Party; or

(iii) Any representation, warranty, certificate, schedule, financial statement or other information made or furnished by Borrower to Secured Party herein or pursuant hereto is or shall be untrue or materially misleading in any material respect; or

(iv) Expiration or termination of any Trademark registration subject to this Trademark Security Agreement.

7. Acceleration. Upon the occurrence of any Event of Default, then and in any such event, at the sole option of Secured Party, then or at any time thereafter, Secured Party may declare all or any part of the Obligations to be due and payable, without notice, protest, presentment or demand, all of which are hereby expressly waived by Borrower.

8. Rights and Remedies. Secured Party shall have all of the rights and remedies enumerated herein after the occurrence of any Event of Default and so long as such Event of Default shall continue uncured:

with a copy to:

Laurier W. Beaupre, Esquire
Testa, Hurwitz & Thibeault, LLP
125 High Street
Boston, Massachusetts 02110-2711;

(b) If to Secured Party, to:

BankBoston, N.A.
100 Federal Street
Mail Code 01-07-07
Boston, Massachusetts 02110
Attn: Mr. William N. Latham
Vice President

with a copy to:

James W. Litsey, Esquire
Partridge Snow & Hahn LLP
180 South Main Street
Providence, Rhode Island 02903.

Either party may change its address for such notice purposes upon five (5) days' advance written notice given as aforesaid.

11. Merger of Understandings. This Trademark Security Agreement contains the entire understanding between the parties hereto with respect to the Trademarks and such understanding shall not be modified except in writing signed by or on behalf of the parties hereto; PROVIDED, HOWEVER, that Borrower and Secured Party acknowledge and agree that they have entered into a Security Agreement dated November 21, 1997 pursuant to which Borrower has granted to Secured Party a first priority security interest in all tangible and intangible assets owned by Borrower (the "Security Agreement"), and this Trademark Security Agreement is intended by Borrower and Secured Party to supplement the Security Agreement and is not intended as a substitute therefor.

12. Successors and Assigns. The provisions of this Trademark Security Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of Secured Party and Borrower, provided, however, Borrower may not assign any of its rights or delegate any of its obligations hereunder without the prior written consent of Secured Party.

13. Interpretation. This Trademark Security Agreement is and shall be deemed to be a contract entered into and made pursuant to the laws of the State of Rhode Island, except with respect to the perfection of the security interests granted herein, and shall in all respects be governed, construed, applied and enforced in accordance with the laws of said State, without resort to its conflict of laws rules. This Trademark Security Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument. The

section and paragraph headings herein are included for convenience only and shall not be deemed to be a part of this Trademark Security Agreement. All obligations, warranties, representations, covenants and agreements of Borrower hereunder shall be the joint and several obligations, warranties, representations, covenants and agreements of each of the undersigned.

14. Fees and Expenses. If prior hereto and/or at any time or times hereafter Secured Party shall employ counsel in connection with the execution and consummation of the transactions contemplated by this Trademark Security Agreement or to commence, defend or intervene, file a petition, complaint, answer, motion or other pleadings, or to take any other action in or with respect to any suit or proceeding (bankruptcy or otherwise) relating to this Trademark Security Agreement, the Trademarks or any other agreement, guaranty, note, instrument or document heretofore, now or at any time or times hereafter executed by Borrower and delivered to Secured Party, or to protect, collect, lease, sell, take possession of or liquidate any of the Trademarks, or to attempt to enforce any security interest in any of the Trademarks, or to enforce any rights of Secured Party hereunder, whether before or after the occurrence of any Event of Default, or to collect any of the Obligations, then in any of such events, all of the reasonable attorneys' fees arising from such services, and any expenses, costs and charge relating thereto, shall be part of the Obligations, payable on demand and secured by the Trademarks.

15. Severability. The terms of this Trademark Security Agreement are severable. If any term shall be found to be invalid or unenforceable, it shall not effect the validity of the remaining terms.

16. Further Action. Borrower agrees to execute any other documents and take any further action upon the request of Secured Party as may deemed necessary to effectuate the terms of this Trademark Security Agreement.

17. IN THE EVENT THAT SECURED PARTY BRINGS ANY ACTION OR PROCEEDING IN CONNECTION HERewith IN ANY COURT OF RECORD OF THE COMMONWEALTH OF MASSACHUSETTS OR ANY UNITED STATES COURT OF RECORD IN SAID COMMONWEALTH, ASSIGNOR HEREBY IRREVOCABLY CONSENTS TO AND CONFERS PERSONAL JURISDICTION OF SUCH COURT OVER ASSIGNOR BY SUCH COURT. IN ANY SUCH ACTION OR PROCEEDING, ASSIGNOR HEREBY WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE UPON ASSIGNOR BY MAILING A COPY OF SUCH SUMMONS, COMPLAINT OR OTHER PROCESS BY CERTIFIED MAIL TO ASSIGNOR AT THE ADDRESS DESIGNATED IN PARAGRAPH 13 ABOVE. ASSIGNOR HEREBY WAIVES TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS ASSIGNMENT OR ANY INSTRUMENT OR DOCUMENT DELIVERED IN CONNECTION HERewith, OR

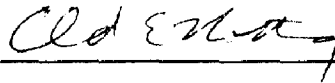
THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have executed this Agreement on the date first above written.

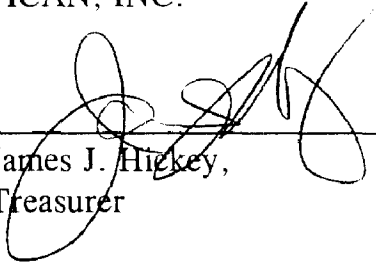
Witnessed by:

BORROWER:

SIPPICAN, INC.



By: _____



James J. Hickey,
Treasurer

SECURED PARTY:

BANKBOSTON, N.A.



By: _____


William N. Latham
Vice President

366004_1

EXHIBIT A

Schedule of Trademarks

<u>Registration / Serial No.</u>	<u>Mark</u>	<u>Registration / Filing Date</u>
75/427,429	PTP	February 2, 1998

366004_1