

10-20-1999



101178253

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY



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

65-91-01  
me

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

Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

- Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

State/Country

Zip Code

- Individual  General Partnership  Limited Partnership

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.)

- Corporation  Association

Other

Citizenship/State of Incorporation/Organization

FOR OFFICE USE ONLY

10/17/99 4:00:11 1000000 75300836  
01 FC:481  
02 FC:480

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK  
REEL: 001976 FRAME: 0276

**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)**

**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.

ERIC M. REUBEN, ESQ.

October 15, 1999

Name of Person Signing

Signature

Date Signed



**RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY**

FORM PTO-1618C  
Expires 06/30/99  
OMB 0651-0027

U.S. Department of Commerce  
Patent and Trademark Office  
**TRADEMARK**

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)     
City state/country Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other

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 the Assignment.)

Citizenship/State of Incorporation/Organization

**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)

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TRADEMARK SECURITY AGREEMENT, dated as of October 8, 1999, among WINSTON RESOURCES, INC., a Delaware corporation (the "Borrower"), each of the subsidiaries of the Borrower listed on Schedule I (each such subsidiary, individually, a "Guarantor") the Guarantors and the Borrower are referred to collectively herein as the "Grantors") and THE BANK OF NEW YORK (together with its successors and assigns, the "Secured Party").

Reference is made to the Credit Agreement, dated August 31, 1999 between the Borrower and The Bank of New York (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") and to the Security Agreement dated the date hereof between the Bank and the Grantors (as amended, supplemented or otherwise modified from time to time, the "Security Agreement"). Unless defined herein, all capitalized terms used herein shall have the meaning ascribed to them in the Credit Agreement or, if not contained therein, the Security Agreement.

The Bank has agreed to make Loans to the Borrower pursuant to, and upon the terms and subject to the conditions specified in, the Credit Agreement. Each of the Guarantors has agreed to guarantee, among other things, all the obligations of each Loan Party under the Loan Documents. The obligation of the Bank to make Loans is conditioned upon, among other things, the execution and delivery by the Assignors of an agreement in the form hereof to secure the Obligations.

Accordingly, the Assignors and the Secured Party (and each of their respective successors or assigns), hereby agree as follows:

1. DEFINITIONS. The following terms shall have the meanings set forth in this Section 1 or elsewhere in this Trademark Agreement referred to below:

"Assignment of Marks" See Section 2(c).

"Associated Good Will" All good will of the Grantors and their business products and services appurtenant to, associated with or symbolized by the Trademarks and the use thereof.

"Pledged Trademarks" All of the Guarantor's right, title and interest in and to all of the Trademarks, the Trademark Registrations, the Trademark License Rights, the Trademark Rights, the Associated Goodwill, the Related Assets, and all accessions to, substitutions for, replacements of, and all products and proceeds of any and all of the foregoing. Notwithstanding anything contained in any Loan Document, Pledged Trademarks shall not include Excluded Assets.

"PTO" The United-States Patent and Trademark office.

"Related Assets" All assets, rights and interests of the Guarantor that uniquely reflect or embody the Associated Goodwill, including the following:

(a) all trade secrets, confidential information, formulae, know-how, methods and operating systems, quality control procedures, service specifications, catalogs, price lists, and

advertising materials, relating to the delivery, provision and sale of services under or in association with any of the Trademarks; and

(b) the following documents and things in the possession or under the control of the Guarantors, or subject to its demand for possession or control, related to the production, delivery, provision and sale by the Guarantors, or any affiliate, franchisee, licensee or contractor, of products or services sold by or under the authority of the Guarantor in connection with the Trademarks or Trademark Rights, whether prior to, on or subsequent to the date hereof:

(i) all lists, contracts, ancillary documents and other information that identify, describe or provide information with respect to any customers or clients of the Guarantors, its affiliates or franchisees or licensees or contractors, for services sold under or in connection with the Trademarks or Trademark Rights documents containing information regarding each customer's and client's;

(ii) all agreements (including franchise agreements), service specification documents and operating and quality control manuals relating to or used in the delivery, provision and sale of services under or in connection with the Trademarks or Trademark Rights;

(iii) all agreements and documents constituting or concerning the present or future, current or proposed advertising and promotion by the Guarantors (or any of its affiliates, franchisees, licensees or contractors) of products or services sold under or in connection with the Trademarks or Trademark Rights.

Notwithstanding anything contained in any Loan Document, Related Assets shall not include Excluded Assets.

“Trademark Agreement” This Trademark Security Agreement, as amended and in effect from time to time.

“Trademark Agreement” This Trademark Collateral Security and Pledge Agreement, as amended and in effect from time to time.

“Trademark License Rights” Any and all past, present or future rights and interests of the Grantors pursuant to any and all past, present and future franchising or licensing agreements in favor of the Grantors, or to which the Grantors is a party, pertaining to any Trademarks, Trademark Registrations, or Trademark Rights owned or used by third parties in the past, present or future, including the right (but not the obligation) in the name of the Grantors or the Bank to enforce, and sue and recover for, any breach or violation of any such agreement to which the Grantors is a party. Notwithstanding anything contained in any Loan Document, Trademark License Rights shall not include Excluded Assets.

“Trademark Registrations” All past, present or future federal, state, local and foreign registrations of the Trademarks, all past, present and future applications for any such registrations (and any such registrations thereof upon approval of such applications), together with the right (but not the obligation) to apply for such registrations (and prosecute such

applications) in the name of the Grantors or the Bank, and to take any and all actions necessary or appropriate to maintain such registrations in effect and renew and extend such registrations.

“Trademark Rights” Any and all present or future rights in, to and associated with the Trademarks throughout the world, whether arising under federal law, state law, common law, foreign law or otherwise, including the following: all such rights arising out of or associated with the Trademark Registrations; the right (but not the obligation) to register claims under any state, federal or foreign trademark law or regulation; the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of the Grantor or the Bank for any and all past, present and future infringements or dilution of or any other damages or injury to the Trademarks, the Trademark Rights, or the Associated Goodwill, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, dilution, damage or injury; and the Trademark License Rights. Notwithstanding anything contained in any Loan Document, Trademark Rights shall not include Excluded Assets.

“Trademarks” All of the trademarks, service marks, designs, logos, indicia, trade names, corporate names, company names, business names, fictitious business names, trade styles, elements of package or trade dress, and other source and product or service identifiers, used or associated with or appurtenant to the products, services and businesses of the Grantor, that (a) are set forth on Schedule A hereto, or (b) have been adopted, acquired, owned, held or used by the Grantor or are now owned, held or used by the Grantor, in the Grantor’s business, or with the Grantor’s products and services, or in which the Grantor has any right, title or interest, or (c) are in the future adopted, acquired, owned, held and used by the Grantors in the Grantor’s business or with the Grantor’s products and services, or in which the Grantors in the future acquires any right, title or interest. Notwithstanding anything contained in any Loan Document, Trademarks shall not include Excluded Assets.

## 2. GRANT OF SECURITY INTEREST.

(a) As security for the payment or performance, as applicable, in full of the Obligations, each of the Grantors hereby grants, bargains, sells, conveys, assigns, sets over, mortgages, pledges, and hypothecates to the Secured Party a security interest in, all of the right, title and interest of such Grantor in, to and under the Pledged Trademarks, including, without limitation, the Pledged Trademarks listed in Schedule A (the “Security Interest”). Without limiting the foregoing, the Secured Party is hereby authorized to file one or more financing statements, continuation statements, or other documents for the purpose of perfecting, granting, confirming, continuing, enforcing or protecting the Security Interest granted by each of the Grantors, without the signature of any Grantor, and naming any Grantor or the Grantors, as applicable, as debtors and the Secured Party as secured party, and, only after the occurrence and during the continuance of an Event of Default, filings with the PTO (or any successor office or any similar office in any other country).

(b) The Security Interest is granted as security only and shall not subject the Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Collateral.

(c) In addition, the Grantors have executed in blank and delivered to the Bank an assignment of federally registered trademarks in substantially the form of Exhibit 1 hereto (the "Assignment of Marks"). The Grantors hereby authorize the Bank to complete as assignee and record with the PTO the Assignment of Marks upon the occurrence and during the continuance of an Event of Default and the proper exercise of the Bank's remedies under this Trademark Agreement and the Security Agreement.

(d) Pursuant to the Security Agreement, the Grantors have granted to the Bank a continuing security interest in and lien on the Collateral (including the Trademarks). The Security Agreement, and all rights and interests of the Bank in and to the Collateral (including the Trademarks) thereunder, are hereby ratified and confirmed in all respects. In no event shall this Trademark Agreement, the grant, pledge and mortgage of the Trademarks hereunder, or the recordation of this Trademark Agreement (or any document hereunder) with the PTO, adversely affect or impair, in any way or to any extent, the Security Agreement, the security interest of the Bank in the Collateral (including the Trademarks) pursuant to the Security Agreement and this Trademark Agreement, the attachment and perfection of such security interest under the Uniform Commercial Code (including the security interest in the Trademarks), or any present or future rights and interests of the Bank in and to the Collateral under or in connection with the Security Agreement, this Trademark Agreement or the Uniform Commercial Code. Any and all rights and interests of the Bank in and to the Trademarks (and any and all obligations of the Grantors with respect to the Trademarks) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of the Bank (and the obligations of the Grantors) in, to or with respect to the Collateral (including the Trademarks) provided in or arising under or in connection with the Security Agreement and shall not be in derogation thereof.

3. REPRESENTATIONS AND WARRANTIES. The Grantors represents and warrants that: (a) Schedule A sets forth a true and complete list of all United States Trademark Registrations now owned, licensed, controlled or used by the Guarantors; (b) the Trademarks and Trademark Registrations now existing are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and there is no litigation or proceeding pending concerning the validity or enforceability of the now existing Trademarks or Trademark Registrations material to its business; (c) to the best of the Grantor's knowledge, each of the now existing Trademarks and Trademark Registrations is valid and enforceable; (d) the Grantors have the unqualified right to enter into this Trademark Agreement and to perform its terms; and (e) the Grantors have used, and will continue to use, proper statutory and other appropriate proprietary notices in connection with its use of the Trademarks material to its business; (i) the Grantors have used, and will continue to use for the duration of this Trademark Agreement, consistent standards of quality services sold or provided under the Trademarks.

4. NO TRANSFER OR INCONSISTENT AGREEMENTS. Without the Bank's prior written consent, except to the extent permitted pursuant to the Credit Agreement the Grantors will not (a) mortgage, pledge, assign, encumber, grant a security interest in, transfer, license or alienate any of the Trademarks, or (b) enter into any agreement that is inconsistent with the Guarantor's obligations under this Trademark Agreement or the Security Agreement.

5. AFTER-ACQUIRED TRADEMARKS, ETC.

(a) If, before the Obligations shall have been finally paid and satisfied in full, the Grantors shall obtain any right, title or interest in or to any other or new Trademarks, Trademark Registrations or Trademark Rights, the provisions of this Trademark Agreement shall automatically apply thereto and the Grantors shall promptly provide to the Bank notice thereof in writing and execute and deliver to the Bank such documents or instruments as the Bank may reasonably request further to preserve or evidence the Bank's security interest therein.

(b) The Grantors authorizes the Bank to modify this Trademark Agreement and the Assignment of Marks, without the necessity of the Guarantor's further approval or signature, by amending Exhibit A hereto and the Annex to the Assignment of Marks solely for the purpose of including any future or other Trademarks, Trademark Registrations or Trademark Rights under Section 2 or Section 6.

6. TRADEMARK PROSECUTION.

(a) The Grantors shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with the Trademarks for so long as it owns the Trademarks.

(b) The Grantors shall have the right and to the extent deemed appropriate by the Grantors in their business judgment the duty to prosecute diligently any trademark registration applications of the Trademarks pending as of the date of this Trademark Agreement or thereafter, to the extent deemed appropriate by the Grantors in their business judgment to preserve and maintain all rights in the Trademarks and Trademark Registrations, including the filing of appropriate renewal applications and other instruments to maintain in effect the Trademark Registrations and the payment when due of all registration renewal fees and other fees, taxes and other expenses that shall be incurred or that shall accrue with respect to any of the Trademarks or Trademark Registrations. Any expenses incurred in connection with such applications and actions shall be borne by the Grantors. The Grantors shall not abandon any material filed trademark registration application, or any material Trademark Registration or Trademark, without the consent of the Bank, which consent shall not be unreasonably withheld unless abandonment is consistent with the applicable Grantor's business judgment.

(c) The Grantors shall have the right and, to the extent consistent with its business judgment, the duty to bring suit or other action in the Guarantor's own name to maintain and enforce the Trademarks, the Trademark Registrations and the Trademark Rights.

(d) In general, the Grantors shall take any and all such actions in its business judgment (including, institution and maintenance of suits, proceedings or actions) as may be necessary or appropriate to properly maintain, protect, preserve, care for and enforce the Trademarks. To the extent consistent with the Grantor's business judgment the Grantors shall not take or fail to take any action, nor permit any action to be taken or not taken by others under its control, that would materially adversely affect the validity, grant or enforcement of the Trademarks.



(e) Promptly upon obtaining knowledge thereof, the Grantors will notify the Bank in writing of the institution of, or any final adverse determination in, any proceeding in the PTO or any similar office or agency of the United States or any foreign country, or any court, regarding the validity of any of the Trademarks or Trademark Registrations or the Guarantor's rights, title or interests in and to the Trademarks, and of any event that does or reasonably could materially adversely affect the value of any of the Trademarks material to its business, the ability of the Grantors or the Bank to dispose of any of the Trademarks material to its business or the rights and remedies of the Bank in relation thereto (including but not limited to the levy of any legal process against any of the Trademarks) .

7. REMEDIES. Upon the occurrence and during the continuance of an Event of Default, the Bank shall have, in addition to all other rights and remedies given it by this Trademark Agreement (including, without limitation, those set forth in section 2(b)), the Credit Agreement, the Security Agreement and the other Loan Documents, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of New York, and, without limiting the generality of the foregoing, the Bank may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to the Grantors, all of which are hereby expressly waived, sell or license at public or private sale or otherwise realize upon the whole or from time to time any part of the Pledged Trademarks, or any interest that the Grantors may have therein, and after deducting from the proceeds of sale or other disposition of the Pledged Trademarks all expenses incurred by the Bank in attempting to enforce this Trademark Agreement (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations as set forth in or by reference in the Security Agreement. Notice of any sale, license or other disposition of the Pledged Trademarks shall be given to the Grantors at least five (5) days before the time that any intended public sale or other public disposition of the Pledged Trademarks is to be made or after which any private sale or other private disposition of the Pledged Trademarks may be made, which the Guarantors hereby agrees shall be reasonable notice of such public or private sale or other disposition. At any such sale or other disposition, the Bank may, to the extent permitted under applicable law, purchase or license the whole or any part of the Pledged Trademarks or interests therein sold, licensed or otherwise disposed of. Notwithstanding anything contained in any document, there shall be no assignment of intent to use rights, until those rights mature to registration.

8. COLLATERAL PROTECTION. If Grantors shall fail to do any act that it has covenanted to do hereunder, or if any representation or warranty of the Grantors hereunder shall be breached, the Bank, in its own name or that of the Grantors (in the sole discretion of the Bank), may (but shall not be obligated to) do such act or remedy such breach (or cause such act to be done or such breach to be remedied), and the Grantors agrees promptly to reimburse the Bank for any cost or expense incurred by the Bank in so doing.

9. INTENTIONALLY OMITTED.

10. POWER OF ATTORNEY. If any Event of Default shall have occurred and be continuing, the Grantors do hereby make, constitute and appoint the Bank (and any officer or agent of the Bank as the Bank may select in its exclusive discretion) as the Guarantor's true and lawful attorney-in-fact, with full power of substitution and with the power to endorse the

Guarantor's name on all applications, documents, papers and instruments necessary for the Bank to use the Pledged Trademarks, or to grant or issue any exclusive or nonexclusive license of any of the Pledged Trademarks to any third person, or to take any and all actions necessary for the Bank to assign, pledge, convey or otherwise transfer title in or dispose of any of the Pledged Trademarks or any interest of the Guarantors therein to any third person, and, in general, to execute and deliver any instruments or documents and do all other acts that the Guarantors is obligated to execute and do hereunder. The Guarantors hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and releases the Bank from any claims, liabilities, causes of action or demands arising out of or in connection with any action taken or omitted to be taken by the Bank under this power of attorney (except for the Bank's gross negligence or willful misconduct). This power of attorney is coupled with an interest and shall be irrevocable for the duration of this Trademark Agreement.

11. FURTHER ASSURANCES. The Grantors shall, at any time and from time to time, and at its expense, make, execute, acknowledge and deliver, and file and record as necessary or appropriate with governmental or regulatory authorities, agencies or offices, such agreements, assignments, documents and instruments, and do such other and further acts and things (including, without limitation, obtaining consents of third parties), as the Bank may reasonably request or as may be necessary or appropriate in order to implement and effect fully the intentions, purposes and provisions of this Trademark Agreement, or to assure and confirm to the Bank the grant, perfection and priority of the Bank's security interest in the Trademarks.

12. TERMINATION. At such time as all of the Obligations have been finally paid and satisfied in full, this Trademark Agreement shall terminate and the Bank shall, upon the written request and at the expense of the Grantors, execute and deliver to the Grantors all assignments, releases and other instruments as may be necessary or proper to reassign and reconvey to and re-vest in the Grantors the entire right, title and interest to the Pledged Trademarks previously granted, assigned, transferred and conveyed to the Bank by the Grantors pursuant to this Trademark Agreement, as fully as if this Trademark Agreement had not been made, subject to any disposition of all or any part thereof that may have been made by the Bank pursuant hereto or to the Security Agreement.

13. COURSE OF DEALING. No course of dealing between the Grantors and the Bank nor any failure to exercise, nor any delay in exercising, on the part of the Bank, any right, power or privilege hereunder or under the Security Agreement or any other agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

14. NO ASSUMPTION OF LIABILITY; INDEMNIFICATION. **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE BANK ASSUMES NO LIABILITIES OF THE GRANTORS WITH RESPECT TO ANY CLAIM OR CLAIMS REGARDING THE GRANTORS'S OWNERSHIP OR PURPORTED OWNERSHIP OF, OR RIGHTS OR PURPORTED RIGHTS ARISING FROM, ANY OF THE TRADEMARKS OR ANY USE, LICENSE OR SUBLICENSE THEREOF, WHETHER ARISING OUT OF ANY PAST, CURRENT OR FUTURE EVENT, CIRCUMSTANCE, ACT OR OMISSION OR OTHERWISE, ABSENT THE**

**BANK'S GROSS NEGLIGENCE OR WILFUL MISCONDUCT, AND ABSENT THE BANK'S GROSS NEGLIGENCE OR WILFUL MISCONDUCT ALL OF SUCH LIABILITIES SHALL BE EXCLUSIVELY THE RESPONSIBILITY OF THE GRANTORS, AND, ABSENT THE BANK'S GROSS NEGLIGENCE OR WILFUL MISCONDUCT, THE GRANTORS SHALL INDEMNIFY THE BANK FOR ANY AND ALL COSTS, EXPENSES, DAMAGE AND CLAIMS, INCLUDING LEGAL FEES, INCURRED BY THE BANK WITH RESPECT TO SUCH LIABILITIES.**

15. REIMBURSEMENT OF SECURED PARTY

(a) Each of the Grantors agrees, jointly with the others and severally, to pay on demand to the Secured Party (i) all reasonable out-of-pocket expenses incurred by the Bank, including the reasonable fees, charges and disbursements of counsel for the Bank, in connection with the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions of any Loan Document (whether or not the transactions contemplated thereby shall be consummated), (ii) all out-of-pocket expenses incurred by the Bank, including the reasonable fees, charges and disbursements of any counsel for the Bank, in connection with the enforcement or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loans made including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans, (iii) the reasonable out of pocket expenses in connection with the custody or preservation of, or the sale of, collection from, or realization upon, any of the Collateral owned or held by or on behalf of such Grantor, or (iv) reasonable out-of-pocket expenses incurred as a result of the failure of such Grantor to perform or observe any of the provisions hereof.

(b) Each Grantor agrees, jointly with the others and severally, to indemnify the Secured Party, its Affiliates and each of their respective control persons, officers, directors, employees and agents (each, an "Indemnitee") against, and hold each Indemnitee harmless from, (other than Excluded Taxes) any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for such Indemnitee, incurred by or asserted against such Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the Loan Parties of their respective obligations thereunder or the consummation by the Loan Parties of the Transactions or any other transactions contemplated thereby, (ii) any Loan or the use of the proceeds from the Loan, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether such Indemnitee is a party thereto, *provided that* such indemnity shall not, as to such Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses arise from any prepayment of the Loans, reductions or termination of the Revolving Commitment or Term Loan Commitment or are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) Any amounts payable as provided hereunder shall be additional Obligations secured hereby and by the other Security Documents. The provisions of this Section shall remain operative and in full force and effect regardless of the termination of this Trademark Agreement or any other Loan Document, the consummation of the transactions contemplated hereby, the repayment of any of the Obligations, the invalidity or unenforceability of any term or provision of this Trademark Agreement or any other Loan Document or any investigation made by or on behalf of the Secured Party or any other Secured Party. All amounts due under this Section shall be payable on written demand therefor and shall bear interest at the rate specified in Section 2.10(c)(ii) of the Credit Agreement.

16. WAIVERS; AMENDMENT

(a) No failure or delay 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 such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Secured Party hereunder and of the other Secured Parties under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Trademark Agreement or any other Loan Document or consent to any departure by any Grantor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Grantor in any case shall entitle such Grantor to any other or further notice or demand in similar or other circumstances.

(b) Neither this Trademark Agreement nor any provision hereof may be waived, amended or modified except pursuant to a written agreement entered into by, between or among the Secured Party and the other parties hereto.

17. NOTICES

All communications and notices hereunder shall be in writing and given as provided in Section 8.01 of the Credit Agreement. All communications and notices hereunder to the Borrower and any other Grantor shall be given to it at the address for notices set forth in such Section.

18. BINDING EFFECT; SEVERAL AGREEMENT; ASSIGNMENTS

This Trademark Agreement shall become effective as to any Grantor when a counterpart hereof executed on behalf of such Grantor shall have been delivered to the Secured Party and a counterpart hereof shall have been executed on behalf of the Secured Party, and thereafter shall be binding upon such Grantor and the Secured Party and their respective successors and assigns, and shall inure to the benefit of such Grantor, the Secured Party and their respective successors and assigns, except that (a) none of the Grantors shall have the right to assign its rights or obligations hereunder or any interest herein or in the Collateral (and any such attempted assignment shall be void) except as expressly contemplated by this Trademark Agreement or the other Loan Documents and (b) the Bank may assign this Agreement only in

accordance with Section 8.04 of the Credit Agreement. This Trademark Agreement shall be construed as a separate agreement with respect to each of the Grantors and may be amended, modified, supplemented, waived or released with respect to any Grantor without the approval of any other Grantor and without affecting the obligations of any other Grantor hereunder.

19. SURVIVAL OF AGREEMENT; SEVERABILITY

(a) All covenants, agreements, representations and warranties made by each of the Grantors herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Trademark Agreement or any other Loan Document shall be considered to have been relied upon by the Secured Party and shall survive the execution and delivery of any Loan Documents and the making of any Loan, regardless of any investigation made by the Secured Party or on its behalf, and shall continue in full force and effect until this Trademark Agreement shall terminate.

(b) In the event any one or more of the provisions contained in this Trademark Agreement or any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic and other effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

20. GOVERNING LAW

THIS TRADEMARK AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

21. COUNTERPARTS

This Trademark Agreement may be executed in one or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one contract (subject to Section 17), and shall become effective as provided in Section 17. Delivery of an executed counterpart of this Trademark Agreement by facsimile transmission shall be as effective as delivery of a manually executed counterpart of this Trademark Agreement.

22. HEADINGS

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

23. JURISDICTION; CONSENT TO SERVICE OF PROCESS

This Agreement shall be construed in accordance with and governed by the law of the State of New York.

Each Grantor hereby submits, for itself and its property, to the jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Bank may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

Each Grantor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

24. WAIVER OF JURY TRIAL

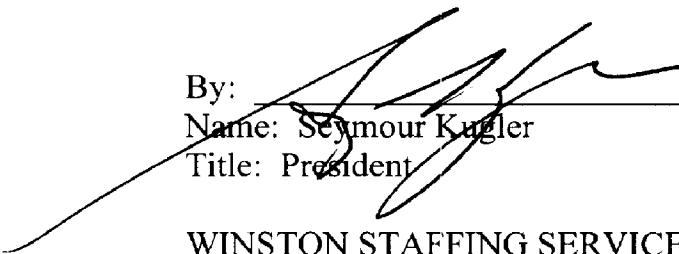
EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS TRADEMARK AGREEMENT. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS TRADEMARK AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

25. MISCELLANEOUS. The headings of each section of this Trademark Agreement are for convenience only and shall not define or limit the provisions thereof. This Trademark Agreement and all rights and obligations hereunder shall be binding upon the Grantors and its respective successors and assigns, and shall inure to the benefit of the Bank and its successors and assigns. In the event of any irreconcilable conflict between the provisions of this Trademark Agreement and the Credit Agreement, or between this Trademark Agreement and the Security Agreement, the provisions of the Credit Agreement or the Security Agreement, as the case may be, shall control. If any term of this Trademark Agreement shall be held to be invalid, illegal or

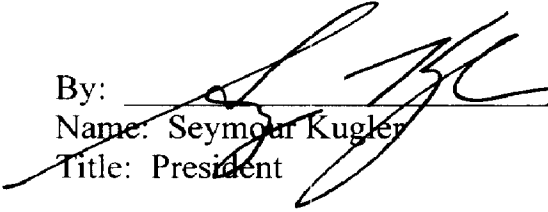
unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Trademark Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Grantors acknowledges receipt of a copy of this Trademark Agreement.

IN WITNESS WHEREOF, this Trademark Agreement has been executed as of the day and year first above written.

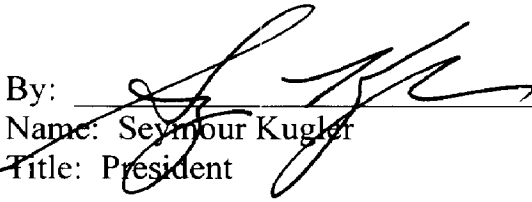
WINSTON RESOURCES, INC.

By:   
Name: Seymour Kugler  
Title: President

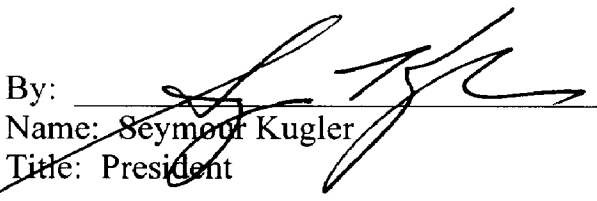
WINSTON STAFFING SERVICES, INC.

By:   
Name: Seymour Kugler  
Title: President

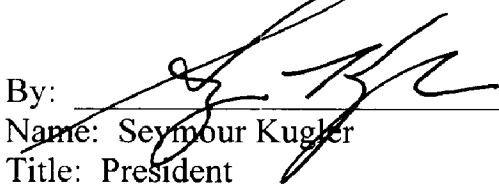
WINSTON PERSONNEL, INC. OF N.J.

By:   
Name: Seymour Kugler  
Title: President

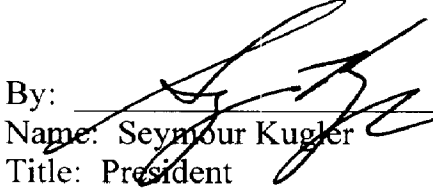
WINSTON PERSONNEL OF BOCA RATON, INC.

By:   
Name: Seymour Kugler  
Title: President

WIN-PAY, INC.

By:   
Name: Seymour Kugler  
Title: President

DELTA 10, INC.

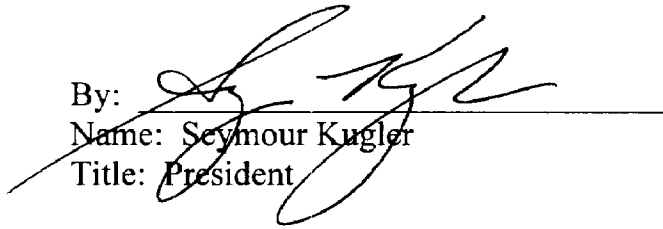
By:   
Name: Seymour Kugler  
Title: President



By:

Name: Seymour Kugler

Title: President

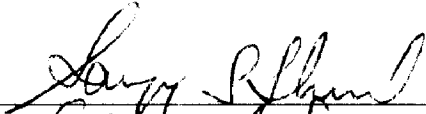


THE BANK OF NEW YORK,  
as Secured Party

By:

Name:

Title:

  
GANESH S SHIRALI  
VICE PRESIDENT

COUNTY OF NEW YORK

STATE OF NEW YORK

On the 8<sup>th</sup> before me, the undersigned, a notary public in and for said state, personally appeared Seymour Kugler, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Bridget M. Wallace  
Notary Public

BRIDGET M. WALLACE  
Notary Public, State of New York  
No. 01WA6002815  
Qualified in Nassau County  
Commission Expires Feb. 17, 2000

ASSIGNMENT OF TRADEMARKS AND SERVICE MARKS

WHEREAS, \_\_\_\_\_, a corporation organized and existing under the laws of the State of \_\_\_\_\_, having a place of business at \_\_\_\_\_ (the "Grantors"), has adopted and used and is using the trademarks and service marks (the "Marks") identified on the Annex hereto, and is the owner of the registrations and pending registration applications for such Marks in the United States Patent and Trademark Office identified on such Annex; and

WHEREAS, \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, having a place of business at \_\_\_\_\_ (the "Assignee"), is desirous of acquiring the Marks and the registrations thereof and registration applications therefor;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Grantors does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Marks, together with (a) the registrations of and registration applications for the Marks, (b) the goodwill of the business symbolized by and associated with the Marks and the registrations thereof, and (c) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Marks or the registrations thereof or such associated goodwill.

This Assignment of Trademarks and Service Marks is intended to and shall take effect at such time as the Assignee shall complete this instrument by inserting its name in the second paragraph above and signing its acceptance of this Assignment of Trademarks and Service Marks below.

IN WITNESS WHEREOF, the Grantors, by its duly authorized officer, has executed this assignment on this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

[Grantors] \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

The foregoing assignment of the Marks and the registrations thereof and registration applications therefor by the Grantors to the Assignee is hereby accepted

as of the \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

[Assignee] \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

# SCHEDULE I TO THE TRADEMARK SECURITY AGREEMENT

## SUBSIDIARY GUARANTORS

<u>Subsidiary Guarantor</u>	<u>Address</u>
1. Winston Staffing Services, Inc.	535 Fifth Avenue New York, New York 10017-3663 Attention: Seymour Kugler Telephone No.: (212) 557-5000 Facsimile No.: (212) 697-0824
2. Winston Personnel, Inc. of N.J.	535 Fifth Avenue New York, New York 10017-3663 Attention: Seymour Kugler Telephone No.: (212) 557-5000 Facsimile No.: (212) 697-0824
3. Winston Personnel of Boca Raton, Inc.	535 Fifth Avenue New York, New York 10017-3663 Attention: Seymour Kugler Telephone No.: (212) 557-5000 Facsimile No.: (212) 697-0824
4. Delta 10, Inc.	535 Fifth Avenue New York, New York 10017-3663 Attention: Seymour Kugler Telephone No.: (212) 557-5000 Facsimile No.: (212) 697-0824
5. Win-Pay, Inc.	535 Fifth Avenue New York, New York 10017-3663 Attention: Seymour Kugler Telephone No.: (212) 557-5000 Facsimile No.: (212) 697-0824
6. Winston Professional Staffing, Inc.	535 Fifth Avenue New York, New York 10017-3663 Attention: Seymour Kugler Telephone No.: (212) 557-5000 Facsimile No.: (212) 697-0824

**SCHEDULE A TO THE TRADEMARK SECURITY AGREEMENT**  
**TRADEMARKS**

**UNITED STATES TRADEMARK REGISTRATIONS \***

<b><u>MARK</u></b>	<b><u>REGISTRATION</u></b>	<b><u>OWNER</u></b>
WINSTON STAFFING SERVICES	2,205,201	Winston Resources, Inc.
WIN-TEMPS	1,210,869	Winston Resources, Inc.
ACCOUNTANTS TODAY	1,637,774	Winston Resources, Inc.
Sunburst & Design	1,232,136	Winston Resources, Inc.
WINSTON PERSONNEL & Design	1,223,643	Winston Resources, Inc.
ROTH YOUNG (Stylized)	1,121,556	Recordal of merger pending before U.S. Patent and Trademark Office with Winston Staffing Services, Inc. to be owner of record upon recording.
ROTH YOUNG and Map Design	1,120,697	Recordal of merger pending before U.S. Patent and Trademark Office with Winston Staffing Services, Inc. to be owner of record upon recording.
DIVISION 10	1,116,173	Recordal of merger pending before U.S. Patent and Trademark Office with Winston Staffing Services, Inc. to be owner of record upon recording.
ROTH YOUNG	880,634	Recordal of merger pending before U.S. Patent and Trademark Office with Winston Staffing Services, Inc. to be owner of record upon recording.
WINSTON	1,491,432	Winston Resources, Inc.
WINSTON RESOURCES	1,491,431	Winston Resources, Inc.
WIN-PAY	2,181,350	Winston Resources, Inc.
ROTH YOUNG PRIORITY SEARCH	1,512,989	Winston Staffing Services, Inc.

ALPHA	1,578,068	Winston Staffing Services, Inc.
ALFA (New York State)	17120	Winston Staffing Services, Inc.

\*More detailed information is presented by way of the Registrations, Pending Applications, or other information, as applicable, attached to this Schedule.

**UNITED STATES TRADEMARK APPLICATIONS**

<b><u>MARK</u></b>	<b><u>APPLICATION NO.</u></b>	<b><u>INTENT TO USE<sup>1</sup></u></b>	<b><u>OWNER</u></b>
FITNESS TEMPS & Des.	75/360,836	YES	Winston Resources, Inc.
FITNESS STAFFING SERVICES	NOT FILED		
WINSTON LEGAL STAFFING	75/516,663	YES	Winston Resources, Inc.

**FOREIGN TRADEMARK REGISTRATIONS**

<b><u>MARK</u></b>	<b><u>REGISTRATION</u></b>	<b><u>COUNTRY</u></b>	<b><u>OWNER</u></b>
ROTH YOUNG	171878	CANADA	Recording of merger pending before Canadian Patent and Trademark Office with Winston Staffing Services, Inc. to be owner of record upon recordal

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<sup>1</sup> While subject to the Security Agreement, the parties have agreed that these applications are not to be assigned until use commences and the applications are converted to ones based on use.



TRADE NAMES/FICTITIOUS BUSINESS NAMES

Winston Resources, Inc.

Winston Advertising Agency  
Winston Personnel  
Fisher-Todd Associates

Delta 10, Inc.

Fitness Temps

Winston Staffing Services, Inc.

Delta 10  
Division 10  
Winston Franchise  
Cosmopolitan Staffing Services  
Accountants Today  
Solo Word Processing  
Cosmopolitan Personnel Systems  
Roth Young  
Nova  
Nova Personnel Services  
Solo Staffing Services  
Nova Personnel Systems  
Alpha Temps  
Solo  
Roth Young Personnel Services  
Winston Cosmopolitan  
Fitness Temps