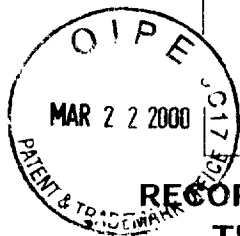


04-18-2000



101323974

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

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

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 Effective Date
Month Day Year
- Change of Name
- Other

Conveying Party

- Mark if additional names of conveying parties attached
- Name Execution Date
Month Day Year
- 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)
City State/Country Zip Code
- Individual General Partnership Limited Partnership Association
- Corporation Association
- Other
- 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

04/18/2000 JSHABAZZ 00000334 2016446

01 FC:481 40.00 OP
02 FC:482 25.00 OP

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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: 002054 FRAME: 0073

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.

Christopher E. Kondracki

Name of Person Signing

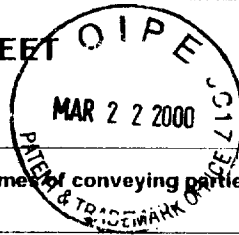


Signature

20 March 2000

Date Signed

RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY



Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name WEI of Delaware II, Inc.

3 6 00

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization DE

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKATA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

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 the Assignment.)

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)

6
7
8
9 March 6, 2000

10
11
12 THIS AGREEMENT is made between

13
14 IBJ Whitehall Retail Finance (a division of IBJ Whitehall Business Credit
15 Corporation), a New York corporation with its offices at 45 Braintree Hill Office Park,
16 Suite 303, Braintree, Massachusetts 02184 (hereinafter, the "**Lender**")

17
18 and

19
20 WEI of Delaware II, Inc., a Delaware corporation with its principal executive
21 offices at 300 Delaware Avenue, Suite 1704, Wilmington, Delaware 19801 (hereinafter,
22 the "**Pledgor**"), and a wholly-owned subsidiary of We're Entertainment, Inc., a New
23 Jersey corporation with its principal executive offices at 270 South Main Street,
24 Flemington, New Jersey 08822 (hereinafter, the "**Borrower**")

25
26 in consideration of the mutual covenants contained herein and benefits to be derived herefrom.

27
28 *WITNESSETH:*

29
30 1. **BACKGROUND:** The parties acknowledge as follows:

31 (a) The Pledgor and the Borrower heretofore have entered into a certain License
32 Agreement, dated May 21, 1997 (as such agreement may be modified, supplemented, amended
33 or restated from time to time, hereinafter, the "**License Agreement**"), pursuant to which the
34 Pledgor has granted an exclusive license to use the Marks.

35 (b) The Lender and the Borrower have entered in a certain loan agreement and a certain
36 security agreement of even date (as such agreements may be modified, supplemented, amended
37 or restated from time to time, hereinafter, singly and collectively, the "**Loan Agreement**"), in
38 connection with the establishment of a credit facility in favor of the Borrower, under which the

...

1 Borrower's Liabilities are to be secured by certain of the Borrower's assets, including all of
2 Borrower's rights to and in Marks under the License Agreement.

3 (c) Pursuant to that certain unlimited Guaranty of even date (as such Guaranty may be
4 modified, supplemented, amended or restated from time to time, hereinafter, the "**Guaranty**")
5 the Pledgor guaranteed the prompt, punctual, and faithful payment and performance of all
6 "Liabilities" (as defined in the Guaranty), including, without limitation, the Liabilities of the
7 Borrower to the Lender under the Loan Agreement.

8 (d) The Pledgor and the Lender have entered into a certain Security Agreement of even
9 date (as such agreement may be modified, supplemented, amended or restated from time to time,
10 hereinafter, the "**Security Agreement**"), under which the Pledgor's obligations to the Lender
11 pursuant to the the Guaranty are to be secured by certain of the Pledgor's assets, including all
12 Marks. (Terms used herein which are defined in the Security Agreement are used as so defined)

13
14 2. **GRANT OF SECURITY INTEREST:** To secure the Liabilities, the Pledgor hereby
15 creates a security interest in favor of the Lender, with power of sale (which power of sale shall be
16 exercisable only following the occurrence of an Event of Default) in and to the following and all
17 proceeds thereof (collectively, the "**TM Collateral**");

18 (a) All of the Pledgor's now owned or existing or hereafter acquired or arising
19 trademarks, trademark applications, service marks, registered service marks and service mark
20 applications including, without limitation, those listed on **EXHIBIT A** annexed hereto and made
21 a part hereof, together with any goodwill connected with and symbolized by any such
22 trademarks, trademark applications, service marks, registered service marks, and service mark
23 applications.

24 (b) All renewals of any of the foregoing.

25 (c) All income, royalties, damages and payments now and hereafter due
26 and/or payable under and with respect to any of the foregoing, including, without limitation,
27 payments under all licenses entered into in connection therewith (including, without limitation,
28 the License Agreement) and damages and payments for past or future infringements or dilutions
29 thereof.

...2...

1 (d) The right to sue for past, present and future infringements and dilutions of
2 any of the foregoing.

3 (e) All of Pledgor's rights corresponding to any of the foregoing throughout
4 the world.

5
6 3. **PROTECTION OF MARKS BY PLEDGOR:** The Pledgor shall undertake
7 the following with respect to each items respectively described in Sections 2(a) and 2(b)
8 (collectively, the "**Marks**");

9 (a) Pay all renewal fees and other fees and costs associated with maintaining
10 the Marks and with the processing of the Marks.

11 (b) At the Pledgor's sole cost, expense, and risk, pursue the prompt, diligent,
12 processing of each Application for Registration which is the subject of the security interest
13 created herein and not abandon or delay any such efforts.

14 (c) At the Pledgor's sole cost, expense, and risk, take any and all action which
15 Pledgor deems desirable to protect the Marks, including, without limitation, but subject to
16 Pledgor's discretion, the prosecution and defense of infringement actions, in which event the
17 Lender may, if the Pledgor reasonably deems it necessary, be joined as a nominal party to any
18 such suit if the Lender shall have been satisfied, in Lender's sole discretion, that the Lender is
19 not thereby incurring any risk of liability on account of such joinder; provided, however, that the
20 Lender shall have first provided its written consent to any such joinder and that the Pledgor
21 hereby agrees to pay on demand all costs and expenses (including, without limitation, attorneys'
22 fees) which may reasonably incurred by Lender on account of any such joinder.

23
24 4. **PLEDGOR'S REPRESENTATIONS AND WARRANTIES:** The Pledgor
25 represents and warrants that:

26 (a) **EXHIBIT A** includes all of the registered trademarks, Federal trademark
27 applications, registered service marks and Federal service mark applications now owned by the
28 Pledgor.

...3...

1 (b) All TM Collateral is and shall remain, free and clear of all liens,
2 Encumbrances, or security interests to any Person other than to the Lender.

3 (c) The Pledgor shall give the Lender written notice (with reasonable detail)
4 within Ten (10) days following the occurrence of any of the following:

5 (i) The Pledgor's obtaining rights to, and filing applications for
6 registration of, any new trademarks, or service marks, or otherwise acquires ownership of
7 any newly registered trademarks, registered service marks, trademark applications, or
8 service mark applications, (other than the Pledgor's right to sell products containing the
9 trademarks of others in the ordinary course of Borrower's business).

10 (ii) The Pledgor's becoming entitled to the benefit of any registered
11 trademarks, trademark applications, trademark licenses, trademark license renewals,
12 registered service marks, service mark applications, service mark licenses or service mark
13 license renewals whether as licensee or licensor (other than Pledgor's right to sell
14 products containing the trademarks of others in the ordinary course of Pledgor's
15 business).

16 (iii) The Pledgor's entering into any new trademark license agreement
17 or service mark license agreement, other than the renewal of the License Agreement on
18 substantially similar terms and conditions.

19
20 **5 AGREEMENT APPLIES TO FUTURE MARKS:**

21 (a) The provisions of this Agreement shall automatically apply to any such
22 additional property or rights described in 4(c), above, all of which shall be deemed to be and
23 treated as "Marks" within the meaning of this Agreement.

24 (b) The Pledgor hereby authorizes the Lender to take all such action to protect
25 the Lender's interest in and concerning any future registered trademarks, trademark applications,
26 registered service marks and service mark applications, written notice of which is so given,
27 *provided, however,* the Lender's taking of such action shall not be a condition to the creation or
28 perfection of the security interest created hereby.

29
...4..

1 6. **PLEDGOR'S RIGHTS TO ENFORCE MARKS:** Prior the Lender's giving of notice to
2 the Pledgor following the occurrence of an Event of Default, the Pledgor shall have the exclusive
3 right to sue for past, present and future infringement of the Marks including the right to seek
4 injunctions and/or money damages, in an effort by Pledgor to protect the Marks against
5 encroachment by third parties, *provided, however:*

6 (a) The Pledgor first provides the Lender with written notice of the Pledgor's
7 intention to sue for enforcement of any Mark.

8 (b) Any money damages awarded or received by the Pledgor on account of
9 such suit (or the threat of such suit) shall constitute TM Collateral.

10 (c) Following the occurrence of any Event of Default, the Lender, by notice to
11 the Pledgor may terminate or limit the Pledgor's rights under this Section 6.

12
13 7. **LENDER'S ACTIONS TO PROTECT MARKS:** In the event of

14 (a) the Pledgor's failure, within Ten (10) days of written notice from the
15 Lender, to cure any failure by the Pledgor to perform any of the Pledgor's obligations set forth in
16 Section 3; and/or

17 (b) the occurrence of any Event of Default,
18 the Lender, acting in its own name or in that of the Pledgor, may (but shall not be required to) act
19 in the Pledgor's place and stead and/or in the Lenders' own right in connection therewith.

20
21 8. **RIGHTS UPON DEFAULT:** Upon the occurrence of any Event of Default, the
22 Lender may exercise all rights and remedies of a secured party upon default under the Uniform
23 Commercial Code as adopted in Massachusetts (Massachusetts General Laws, Chapter 106),
24 with respect to the Marks, in addition to which the Lender may sell, license, assign, transfer, or
25 otherwise dispose of the Marks. Any person may conclusively rely upon an affidavit of an
26 officer of the Lender that an Event of Default has occurred and that the Lender is authorized to
27 exercise such rights and remedies.

28
29 9. **LENDER AS ATTORNEY IN FACT:**

...5..

1 (a) The Pledgor hereby irrevocably constitutes and designates the Lender as
2 and for the Pledgor's attorney in fact, effective following the occurrence of any Event of Default:

3 (i) To exercise any of the rights and powers referenced in Sections 3
4 and 5(b).

5 (ii) To execute all such instruments, documents, and papers as the
6 Lender determines to be appropriate in connection with the exercise of such rights and
7 remedies and to cause the sale, license, assignment, transfer, or other disposition of the
8 Marks.

9 (b) The within grant of a power of attorney, being coupled with an interest,
10 shall be irrevocable until this Agreement is terminated by a duly authorized officer of the Lender.

11 (c) The Lender shall not be obligated to do any of the acts or to exercise any
12 of the powers authorized by Section 9(a) herein, but if the Lender elects to do any such act or to
13 exercise any of such powers, it shall not be accountable for more than it actually receives as a
14 result of such exercise of power, and shall not be responsible to the Pledgor for any act or
15 omission to act except for any act or omission to act as to which there is a final determination
16 made in a judicial proceeding (in which proceeding the Lender has had an opportunity to be
17 heard) which determination includes a specific finding that the subject act or omission to act had
18 been grossly negligent or in actual bad faith.

19
20 **10. LENDER'S RIGHTS:**

21 (a) Any use by the Lender of the Marks, as authorized hereunder in
22 connection with the exercise of the Lenders' rights and remedies under this Agreement and under
23 the Security Agreement shall be coextensive with the Pledgor's rights thereunder and with
24 respect thereto and without any liability to the Lender for royalties or other related charges.

25 (b) None of this Agreement, the Security Agreement, or any act, omission, or
26 circumstance taken or arising hereunder may be construed as directly or indirectly conveying to
27 the Lender any rights in and to the Marks, which rights are effective except following the
28 occurrence of any Event of Default. Subject to the security interest herein granted to the Lender

1 and the Borrower's rights under the License Agreement, the Marks remain the exclusive property
2 of the Pledgor.
3

4 11. **INTENT:** It is intended that this Agreement supplement the Security
5 Agreement. All provisions of the Security Agreement shall apply to the Marks. The Lender
6 shall have the same rights, remedies, powers, privileges and discretions, with respect to the
7 security interests created in the TM Collateral as in all other Collateral. In the event of a conflict
8 between this Agreement and the Security Agreement, the terms of this Agreement shall control
9 with respect to the TM Collateral and the Security Agreement with respect to all other Collateral.
10

11
12 12. **CHOICE OF LAWS:** It is intended that this Agreement take effect as a sealed
13 instrument and that all rights and obligations hereunder, including matters of construction,
14 validity, and performance, shall be governed by the laws of The Commonwealth of
15 Massachusetts.
16

17
18 IN WITNESS WHEREOF, the Pledgor and the Lender respectively have caused this
19 Agreement to be executed by their respective duly authorized officers as of the date first above
20 written.

5
6 (The "Pledgor")

(The "Lender")

7
8 By [Signature]
9
10 Name W. John Coats

By [Signature]
Name Kevin J. Chamberlain

11
12 Title CFO
13
14 Commonwealth
15 THE OF Massachusetts
16 COUNTY OF Suffolk

Title V.P.

17
18 Then personally appeared before me W. John Coats who acknowledged that such person
19 is the duly authorized CFO of We're Entertainment, Inc. and that such person had
20 executed the foregoing instrument on its behalf.

21
22 Witness my hand and seal this 6th day of March, 2000

23
24 Jacqueline M. Billard
25 , Notary Public

26 My Commission Expires
27 **JACQUELINE M. BILLARD**
28 **NOTARY PUBLIC**
29 **COMMONWEALTH OF MASSACHUSETTS**
30 **MY COMMISSION EXPIRES: AUGUST 17, 2001**

31
32 Commonwealth
33 THE OF Massachusetts
34 COUNTY OF Suffolk

35
36 Then personally appeared before me Kevin J. Chamberlain who acknowledged that such person is
37 the duly authorized V.P. of IBJ Whitehall Retail Finance (a division of IBJ Whitehall
38 Business Credit Corporation) and that such person executed the foregoing instrument on its
39 behalf.

40
41 Witness my hand and seal this 6th day of March, 2000

42
Jacqueline M. Billard
, Notary Public

My Commission Expires:

... 8 ...

JACQUELINE M. BILLARD
NOTARY PUBLIC
COMMONWEALTH OF MASSACHUSETTS
MY COMMISSION EXPIRES: AUGUST 17, 2001

EXHIBIT A

Pledgor's now owned or existing or hereafter acquired or arising registered service marks and Federal service mark applications, registered trademarks, and Federal trademark applications:

Trademark/Service Mark Registrations

<u>TRADEMARK</u>	<u>REGISTRATION NUMBER</u>	<u>REGISTRATION DATE</u>
We're Entertainment	2,016,446	
We're Entertainment (stylized)	2,218,248	

Trademark Applications

<u>MARK</u>	<u>SERIAL NUMBER</u>	<u>FILING DATE</u>
	None	