

11-09-2000



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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 Execution Date
Month Day Year

Name MAHR FEDERAL INC. 10 06 2000

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other

Citizenship/State of Incorporation/Organization DELAWARE

Receiving Party

Mark if additional names of receiving parties attached

Name BADEN-WÜRTTEMBERGISCHE BANK AG

DBA/AKA/TA

Composed of

Address (line 1) KLEINER SCHLOSSPLATZ 11

Address (line 2)

Address (line 3) STUTTGART FEDERAL REPUBLIC OF GERMANY 20173
City 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 FEDERAL REPUBLIC OF GERMANY

FOR OFFICE USE ONLY

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: 002170 FRAME: 0642

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.

LEONARD B KATZMAN

Name of Person Signing



Signature

10/6/2000

Date Signed

TRADEMARK SECURITY AGREEMENT

This **TRADEMARK SECURITY AGREEMENT** (this "Agreement") is made effective as of the 10th day of October, 2000, by **MAHR FEDERAL HOLDING INC.**, a Delaware corporation ("Debtor"), in favor of **BADEN-WÜRTTEMBERGISCHE BANK AG**, a German banking corporation, on behalf of itself and as agent for the financial institutions which may now or at any time in the future acquire an interest in the Loans pursuant to the terms of the Loan Agreements, hereinafter defined (in such capacity, together with its successors and assigns in such capacity, the "Secured Party"), in the following circumstances:

A. Secured Party has made a certain term loan to Debtor, in the principal amount of \$14,000,000 (the "\$14,000,000 Loan"); and a certain term loan to Debtor in the principal amount of \$5,000,000 (the "5,000,000 Loan", together with the \$14,000,000 Loan, the "Loans"). The Loans are governed, in part, by two Loan Agreements (B Agreement and C Agreement) (*Kreditvereinbarung*) concurrently, each dated October 10th, 2000, ("the Loan Agreements").

B. Debtor's obligations of payment and performance under the Loan Agreements are secured by, among other things, the pledge of that certain stock in Mahr Federal Inc. as set forth in the Pledge Agreement dated October 10th, 2000 (the "Pledge Agreement").

C. As a condition to its agreement to make the Loans to Debtor, Secured Party has required that Debtor secure its obligations to Secured Party by the grant of a security interest in certain assets of Debtor as set forth in this Agreement.

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 (hereinafter defined) owing from Debtor to Secured Party, Debtor represents that it now possesses the sole and complete ownership rights to the business assets to be covered by this 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 Debtor hereby pledges, mortgages, and grants a first priority security interest to Secured Party in and to the following:

(i) All of Debtor'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. As used herein, "Obligations" shall mean:

(i) All obligations of Debtor under the Loans, Loan Agreements and the Pledge Agreement, all modifications, amendments, renewals and extensions thereof and interest thereon, and all documents executed and delivered by Debtor in connection therewith;

(ii) Interest, fees and other charges provided for in the Loan Agreements and Pledge Agreement;

(iii) Reasonable attorneys' fees, court costs and expenses of whatever kind incident to the collection of Debtor's indebtedness to Secured Party and the enforcement and protection of the security interest created hereby;

(iv) Other monies heretofore or hereafter advanced by Secured Party to or for the account of Debtor at the option of Secured Party; and

(v) Other present or future liabilities and indebtedness of Debtor to Secured Party of any kind, nature, and description, liquidated or unliquidated, direct or indirect, primary or secondary, secured or unsecured (including overdrafts), joint and several, absolute or contingent, due or to become due, now existing or hereafter arising, regardless of how it may be evidenced.

3. No Liens, etc. Debtor 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 Agreement and will not cease use of the Trademarks or take any action or fail to take any action which will result in the cancellation, expiration or abandonment of any of the Trademarks without the prior written consent of Secured Party, which consent will not be unreasonably withheld.

4. Debtor's Obligation to Maintain and Enforce. Debtor 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 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 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.

5. Reporting Requirements. Debtor agrees to provide on a semi-annual basis written reports to Secured Party informing it of: (a) any change in status of the Trademarks

subject to this Agreement, and (b) any actions taken by Debtor pursuant to Section 4 of this Agreement.

6. After Acquired Property. If Debtor 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 Agreement have been satisfied in full, the provisions of this Agreement shall automatically apply thereto and Debtor hereby authorizes Secured Party to modify or update this Agreement accordingly.

7. 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 Pledge Agreement; or

(ii) Default in the observance or performance of any covenant or agreement of Debtor herein set forth; or

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

(iv) Expiration, abandonment or termination of the registration of any Trademarks subject to this Agreement without Secured Party's prior written consent as provided herein.

8. 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 Debtor.

9. 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:

(i) Secured Party, and any officer or agent of Secured Party, is hereby constituted and appointed as true and lawful attorney-in-fact of Debtor with power to execute and deliver any assignment or transfer of any Trademarks, any instrument or document relating thereto or to rights of Debtor therein, or take any other action as Secured Party may deem necessary to protect its rights hereunder or preserve or protect its interest in the Trademarks; granting to Secured Party, as the attorney-in-fact of Debtor, full power of substitution and full power to do any and all things necessary to be done with respect to such Trademarks as fully and effectually as Debtor might or could do but for this appointment, and hereby ratifying all that said attorney-in-fact shall lawfully do or cause to be done by virtue hereof. Neither Secured Party nor its agents shall be liable for any acts or omissions or for any error of judgment or mistake of fact or

law in its capacity as such attorney-in-fact. This power of attorney is coupled with an interest and shall be irrevocable so long as any Obligations shall remain outstanding.

(ii) Secured Party shall have, in addition to any other rights and remedies contained in this Agreement, the Loan Agreements, the Pledge Agreement, and any other agreements, guaranties, notes, instruments and documents heretofore, now or at any time or times hereafter executed by Debtor and delivered to Secured Party, all of the rights and remedies of a secured party under the Uniform Commercial Code as in effect on the date hereof in the State of Rhode Island, all of which rights and remedies shall be cumulative, and none exclusive, to the extent permitted by law.

10. Absence of Waiver. The failure of Secured Party at any time or times hereafter to require strict performance by Debtor of any of the provisions, warranties, terms and conditions contained in this Agreement or in any other agreement, guaranty, note, instrument or document now or at any time or times hereafter executed by Debtor and delivered to Secured Party shall not waive, affect or diminish any right of Secured Party at any time or times hereafter to demand strict performance thereof; and no rights of Secured Party hereunder shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers or employees, unless such waiver is contained in an instrument in writing signed by an officer of Secured Party and directed to Debtor specifying such waiver. No waiver by Secured Party of any of its rights shall operate as a waiver of any other of its rights or any of its rights on a future occasion.

11. Notices. Except as otherwise specified herein or by notice, all notices, communications and demands hereunder shall be in writing and sent by certified or registered mail, return receipt requested, or by overnight delivery service, with all charges prepaid, to the applicable party or parties at the addresses set forth below, or by facsimile transmission (including, without limitation, computer generated facsimile), promptly confirmed in writing sent by first class mail, to the facsimile numbers and addresses set forth below:

- (a) If to Debtor, to: Mahr Federal Holding Inc.
1144 Eddy Street
P.O. Box 9400
Providence, Rhode Island 02940
Attn: Mr. Joe Golemme
- (b) If to Secured Party, to: Baden-Württembergische Bank AG
Hern Günther Diewald
Kleiner Schloßplatz 11
70173 Stuttgart, Germany
Facsimile No.: (0711) 180-3349

with a copy to: James W. Litsey, Esquire
Partridge Snow & Hahn LLP
180 South Main Street
Providence, Rhode Island 02903
Facsimile No.: (401) 861-8210

or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties given in accordance with this Section at least ten (10) days in advance thereof. All such notices and correspondence shall be deemed given upon the earliest to occur of (i) actual receipt, (ii) if sent by certified or registered mail, three (3) business days after being postmarked, (iii) if sent by overnight delivery service, when received or when delivery is refused, or (iv) if sent by facsimile, when receipt of such transmission is acknowledged.

12. Merger of Understandings. This 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.

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

14. Interpretation. This 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 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 Agreement. All obligations, warranties, representations, covenants and agreements of Debtor hereunder shall be the joint and several obligations, warranties, representations, covenants and agreements of each of the undersigned.

15. 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 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 Agreement, the Trademarks or any other agreement, guaranty, note, instrument or document heretofore, now or at any time or times hereafter executed by Debtor 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.

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

17. Further Action. Debtor agrees to execute any other documents and take any further action upon the request of Secured Party as may be deemed necessary to effectuate the terms of this Agreement.

18. Secured Party as Agent. Debtor acknowledges that Secured Party has been requested to act hereunder as agent for itself and any other financial institutions which may now or at any time in the future acquire an interest in the Loans pursuant to the terms of the Loan Agreements (the "Participating Banks"), and that Secured Party, to the extent it may so act hereunder, shall exercise all of the rights and remedies hereunder on behalf of, and as agent for the benefit of, itself or any Participating Banks, and each of them. The rights, powers and obligations of Secured Party are more particularly described in the Sydicate Agreements (Konsortialvertraege) dated on or about the date hereof, by and among Secured Party and Deutsche Bank, CommerzBank and any other banks becoming parties thereto from time to time, and are hereby incorporated herein by reference and made a part hereof as if fully set forth herein. Any discharge or release of this Agreement shall be effective when signed solely by Secured Party or any assignee or holder of record of this Agreement.

19. Syndication. In the event of a syndication of any of the Loan Agreements, the parties hereto agree that, at the expense of the Debtor, the parties will execute and deliver all further instruments and documents, and take all further action, as may be necessary or desirable, or that the Secured Party may request, in order to accomplish such syndication including, without limitation, preservation of the benefits of any security interest granted or purported to be granted hereby or to enable the Secured Party as agent to exercise and enforce rights and remedies comparable to those set forth herein with respect to the Trademarks.

20. VENUE; WAIVER OF JURY TRIAL. IN THE EVENT THAT SECURED PARTY BRINGS ANY ACTION OR PROCEEDING IN CONNECTION HERewith IN ANY COURT OF RECORD OF THE STATE OF RHODE ISLAND, OR THE UNITED STATES IN SUCH STATE, DEBTOR HEREBY IRREVOCABLY CONSENTS TO AND CONFERS PERSONAL JURISDICTION OF SUCH COURT OVER DEBTOR BY SUCH COURT. IN ANY SUCH ACTION OR PROCEEDING, DEBTOR HEREBY WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE UPON DEBTOR BY MAILING A COPY OF SUCH SUMMONS, COMPLAINT OR OTHER PROCESS BY UNITED STATES CERTIFIED MAIL, RETURN RECEIPT REQUESTED, POSTAGE PREPAID, TO DEBTOR AT THE ADDRESS DESIGNATED ABOVE. DEBTOR AND SECURED PARTY EACH HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE LOAN AGREEMENTS, THE PLEDGE AGREEMENT OR THIS AGREEMENT, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY DEBTOR AND SECURED PARTY, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. SECURED PARTY IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY DEBTOR. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR SECURED PARTY TO ACCEPT THIS AGREEMENT AND MAKE THE LOANS CONTEMPLATED IN THE CREDIT AGREEMENTS.

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

Witnessed by:

DEBTOR:

MAHR FEDERAL HOLDING INC.

By: _____

Name: Keidel

Title: Member of the Board

SECURED PARTY:

BADEN-WÜRTTEMBERGISCHE BANK AG

By: _____

Name: G. Diewald

Title: Direktor

EXHIBIT A

Schedule of Trademarks

<u>Registration / Serial No.</u>	<u>Mark</u>	<u>Registration / Filing Date</u>
0823304	"FEDERAL"	January 31, 1967

