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U.S. Patent & TMOfo/TM Mail Ropt. Dt. #40

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#### Conveyance Type

Assignment  License

Security Agreement  Nunc Pro Tunc Assignment

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Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

**Trademark Application Number(s)**

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Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

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Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

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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.

TONYA CHAPPLE



1-18-2001

Name of Person Signing

Signature

Date Signed

## SERVICE MARK/TRADEMARK SECURITY AGREEMENT

WHEREAS, PetFoodDirect.com, Inc., a Pennsylvania corporation (the "Grantor") with its principal place of business at 203 Progress Drive, Montgomeryville, Pennsylvania 18936, owns the Service Mark listed on Schedule 1 attached hereto; and

WHEREAS, Grantor has issued, and may issue in the future, its Series A Senior Secured Convertible Debentures (the "Debentures") to certain Investors (all holders of Debentures, whether now or hereafter acquiring their respective Debentures, being the "Investors") and Emerging Growth Equities, Ltd. (the "Agent") has agreed to act as Agent on behalf of each Investor pursuant to the Securities Subscription Agreement, (collectively, the "Securities Subscription Agreements") among the Grantor, the Agent and such Investor; and

WHEREAS, pursuant to the terms of that certain Security Agreement dated as of the date hereof (the same, as it may be amended, restated, supplemented or otherwise modified and in effect from time to time (the "Security Agreement") between Grantor and Agent, as agent for the Investors (in such capacity, together with its successors in such capacity, the "Grantee"), Grantor has granted to Grantee a security interest in substantially all the assets of Grantor including all right, title and interest of Grantor in, to and under all now owned and hereafter acquired Service Marks, Trademarks, Service Mark registrations, Trademark registrations, Service Mark applications, Trademark registrations, Service Mark licenses and Trademark licences, together with the goodwill of the business symbolized by Grantor's Service Marks and Trademarks, and all proceeds thereof, to secure the payment of all amounts owing by Grantor under the Debentures, the Securities Subscription Agreements and the other Transaction Documents (as defined in the Securities Subscription Agreement);

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee a continuing security interest in all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Service Mark and Trademark Collateral"), whether presently existing or hereafter created or acquired:

- (1) each Service Mark, Trademark, Service Mark registration, Trademark registration, Service Mark application and Trademark application, including, without limitation, the Service Mark referred to in Schedule 1 attached hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Service Mark, Trademark, Service Mark registration, Trademark registration, Service Mark application and Trademark application;
- (2) each Service Mark license and Trademark license and all of the goodwill of the business connected with the use of, and symbolized by, each Service Mark license and Trademark license; and

- (3) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Service Mark, Trademark, Service Mark registration or Trademark registration including, without limitation, the Service Mark referred to in Schedule 1 attached hereto, or (b) injury to the goodwill associated with any Service Mark, Trademark, Service Mark registration, Trademark registration, Service Mark licensed under any Service Mark license or Trademark licensed under any Trademark License.

This security interest is granted in conjunction with the security interests granted to Grantee pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Grantee with respect to the security interest in the Service Mark and Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Grantor has caused this Service Mark/Trademark Security Agreement to be duly executed by its duly authorized officer thereunto as of this 6<sup>th</sup> day of November, 2000.

GRANTOR:

PETFOODDIRECT.COM, INC.

By: 

Title: CEO

Acknowledged:

\_\_\_\_\_

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

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

- (3) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Service Mark, Trademark, Service Mark registration or Trademark registration including, without limitation, the Service Mark referred to in Schedule 1 attached hereto, or (b) injury to the goodwill associated with any Service Mark, Trademark, Service Mark registration, Trademark registration, Service Mark licensed under any Service Mark license or Trademark licensed under any Trademark License.

This security interest is granted in conjunction with the security interests granted to Grantee pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Grantee with respect to the security interest in the Service Mark and Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Grantor has caused this Service Mark/Trademark Security Agreement to be duly executed by its duly authorized officer thereunto as of this 1 day of November, 2000. *GM*

GRANTOR:

PETFOODDIRECT.COM, INC.

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

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

Acknowledged:

*Gregory J. Berlacher*  
\_\_\_\_\_

By: Gregory J. Berlacher

Title: Chief Executive Officer

SERVICE MARK REGISTRATIONS

MARK REG. NO. DATE

Reg. No. 2,303,755 December 28, 1999