

05-09-2001

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



101709545

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

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

4.30.01

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
- Change of Name
- Other

Effective Date
Month Day Year
3/17/01

Conveying Party

Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year
3/17/01

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/AKATA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

- Individual General Partnership Limited Partnership
- Corporation Association

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.)

- Other
- Citizenship/State of Incorporation/Organization

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: 002292 FRAME: 0699

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)

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

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<input type="text"/>	<input type="text"/>	<input type="text"/>

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.

Judy Crowder, as agent

Name of Person Signing

Judy Crowder, as agent

Signature

4/25/01

Date Signed

EXHIBIT A-1

TRADEMARKS

Number	Mark
Application No. 75/390,325	LAUNDROMAX
Application No. 75/927,888	CLEAN TO THE MAX
Application No. 75/485,725	CLEAN TO THE EXTREME
Registration No. 2,373,567	CLEANCARD
Application No. 75/490,867	KIDZ SPOT

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is dated as of March 17, 2001, by and between LAUNDROMAX T/M, LLC, a Delaware limited liability company ("Borrower") and ALLIANCE LAUNDRY SYSTEMS LLC, a Delaware limited liability company ("Secured Party"), and is executed pursuant to a Loan Agreement between Borrower and Secured Party of even date herewith ("Loan Agreement").

1. **DEFINITIONS.** All capitalized terms defined in the Loan Agreement and which are used as defined terms in this Security Agreement, unless otherwise defined herein, shall have the meanings ascribed to them in the Loan Agreement, the applicable provisions of which Loan Agreement are incorporated herein. All terms used herein which are not defined in the Loan Agreement but which are defined in the Wisconsin Uniform Commercial Code (the "Code") shall have the same meanings herein as in the Code unless the context in which such terms are used herein indicates otherwise.

2. **SECURITY INTEREST.** To secure the performance and payment of Borrower's Obligations, Borrower hereby grants to Secured Party a security interest in all of Borrower's right, title and interest in and to the property and property rights more fully described on Exhibit A attached hereto and incorporated herein by reference (collectively, the "Collateral"). Such security interests shall be superior and prior to all other Liens, except Permitted Prior Liens.

3. **MATTERS CONCERNING TRADEMARKS, LICENSES AND PATENTS.** To further secure the complete and timely satisfaction of all of Borrower's Obligations, Borrower hereby grants to Secured Party, as and by way of a security interest having priority over all other security interests, with power of sale to the extent permitted by law upon the occurrence of an Event of Default, all of Borrower's right, title and interest in and to the following assets:

(i) trademarks, trademark registrations, trade names, trade name registrations, and trademark or trade name applications, including without limitation such as are listed on Exhibit A-1, attached hereto and made a part hereof, as the same may be amended from time to time, and (a) renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, (d) all rights corresponding thereto throughout the world, and (e) the goodwill of the business operated by Borrower connected with and symbolized by any trademarks or trade names (all of the foregoing trademarks, trademark registrations, trade names, trade

name registrations, and applications, together with the items described in clauses (a) - (e), are sometimes herein individually and/or collectively referred to as the "Trademarks");

(ii) license agreements and the right to prepare for sale, sell, and advertise for sale any inventory now or hereafter owned by Borrower and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Licenses ");

(iii) patents and patent applications, registered or pending, including without limitation such as are listed on Exhibit A-2, attached hereto, together with all income, royalties, shop rights, damages and payments thereto, all inventions and improvements related thereto, the right to sue for infringements thereof, and all rights thereto throughout the world and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, and the goodwill of the business connected with the use of and symbolized by such patents (all of the foregoing are sometimes herein individually and/or collectively referred to as the "Patents").

4. REPRESENTATIONS, WARRANTIES AND COVENANTS. Borrower hereby represents, warrants and covenants to Secured Party as follows:

4.1 Borrower is the owner of the Collateral, except the portion thereof consisting of after-acquired property, and Borrower will be the owner of such after-acquired property, free from any Lien, except Permitted Liens; provided, however, that with respect to any Collateral obtained by Borrower as part of the Acquisition, this Section 3.1 is subject to Borrower's Permitted Reliance.

4.2 There is listed in Exhibit B attached hereto the location of the chief place of business of Borrower, which is also the location where the books and records of Borrower are kept. Borrower shall not (a) change the location listed on Exhibit B attached hereto, (b) change its name, or (c) conduct a business under any other names or use any trade names or fictitious names, without, in each case, giving to Secured Party thirty (30) days' prior written notice of any such change. Borrower shall not open any new places of business without giving Secured Party not less than fifteen (15) days prior written notice thereof in the form of a supplement to Exhibit 1.1B as attached to the Loan Agreement.

4.3 Borrower will at all times keep the Equipment in good operating condition and repair, operate and maintain the same in compliance with all laws and insurance policies applicable thereto, and pay promptly when

due all taxes, insurance premiums and other governmental charges upon or relating to any of the property, income or receipts of Borrower.

5. **SUBSEQUENT TRADEMARKS AND PATENTS.** If, before Borrower's Obligations have been satisfied in full, Borrower shall obtain rights to any other patents or new patentable inventions or any other improvements, trademarks or trade names, or registrations thereof or applications or licenses therefor, the provisions of this Security Agreement shall automatically apply thereto, Borrower shall be deemed to have granted and does hereby grant to Secured Party a first priority security interest therein to secure the complete and timely satisfaction of all of Borrower's Obligations, and Borrower shall give Secured Party prompt written notice thereof.

6. **INSURANCE.** Borrower shall maintain such insurance, written by such insurers, in such amounts, and on such forms as are required by the Loan Agreement. Provided that Borrower then has borrowing availability under the Loan Agreement which may be used to finance the purchase of replacement Collateral for any Collateral which is destroyed in an insured casualty, then the net proceeds collected by Secured Party, after deducting all costs and expenses (including attorneys' fees) of collection shall be applied, at Secured Party's option, either toward replacing or restoring the Collateral, in a manner and on terms satisfactory to Secured Party, or to the payment of Borrower's Obligations. Any proceeds applied to the payment of Borrower's Obligations shall be applied in such manner as Secured Party may elect. In no event shall such application relieve Borrower from payment in full of all installments of principal and interest which thereafter become due in the order of maturity thereof. In the event that Borrower does not then have borrowing availability under the Loan Agreement to finance the purchase of replacement Collateral, and provided that there does not then exist any Event of Default or Unmatured Default, Secured Party shall make the proceeds of insurance available to Borrower for purposes of repairing and replacing the Collateral damaged or destroyed in the insured casualty, subject to such reasonable precautions as Secured Party may require to assure the application of proceeds for such purpose. In the event that an Event of Default or Unmatured Default exists, then Secured Party shall be entitled to apply the net proceeds of such insurance, in its discretion, in the same manner as if Borrower had had borrowing availability under the Loan Agreement as described in the first three sentences of this Section 4.

7. **PROTECTION OF COLLATERAL.** In the event of the failure of Borrower to (a) maintain in force and pay for any insurance which Borrower is required to provide pursuant to this Security Agreement or the Loan Agreement, (b) keep the Equipment in good repair and operating condition, (c) keep the Collateral free from any liens, except Permitted Liens, and (d) pay when due all taxes, levies and assessments on or in respect of the Collateral, Secured Party, at its option, may (but shall not be required to) procure and pay for such insurance, place the Equipment in good repair and operating condition, or otherwise make good any other aforesaid

failure of Borrower, and all sums advanced by Secured Party, with interest thereon at the Default Rate, shall be part of Borrower's Obligations, payable on demand.

8. FINANCING STATEMENTS; FURTHER ASSURANCES.

Borrower, concurrently with the execution of this Security Agreement, and from time to time thereafter as requested by Secured Party, shall execute and deliver to Secured Party such financing statements, continuation statements, amendments to financing statements and other documents, in form satisfactory to Secured Party, as Secured Party may require to perfect and continue in effect the Lien of Secured Party. Borrower irrevocably appoints Secured Party its attorney-in-fact, in the name of Borrower or Secured Party, to execute and file from time to time any such financing statements, continuation statements and amendments thereto, which appointment shall be deemed to be a power coupled with an interest.

9. EVENTS OF DEFAULT. Borrower shall be in default under this Security Agreement upon the occurrence of an Event of Default.

10. REMEDIES UPON DEFAULT. Upon the occurrence of an Event of Default and the acceleration of Borrower's Obligations, Secured Party shall have all the rights and remedies of a secured party under the Wisconsin Uniform Commercial Code and all other rights and remedies accorded to a secured party in equity or law. Upon the request of Secured Party, Borrower shall assemble and make the Equipment available to Secured Party at a place designated by Secured Party. Any notice of sale or other disposition of the Collateral given not less than ten (10) Business Days prior to such proposed action shall constitute reasonable and fair notice of such action. Borrower shall be liable for any deficiency. Borrower expressly waives any right to have the Collateral marshalled on any foreclosure, sale or other enforcement hereof.

11. SECURED PARTY'S RIGHT TO SUE IN CERTAIN CIRCUMSTANCES. In addition to any other remedies as may be available to Lender, from and after the occurrence of an Event of Default and the giving by Secured Party of written notice to Borrower of Secured Party's intention to enforce its rights and claims against any of the Trademarks, Licenses and Patents, Secured Party shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Licenses, Trademarks or Patents, and any licenses thereunder, and, if Secured Party shall commence any such suit, Borrower shall, at the request of Secured Party, join itself as a party in such suit, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement, and Borrower shall promptly, upon demand, reimburse and indemnify Secured Party for all costs and expenses incurred by Secured Party in the exercise of its rights under this Section 11.

12. POWER OF ATTORNEY RE INTELLECTUAL PROPERTY. Borrower hereby authorizes Secured Party to make, constitute and appoint any officer or agent of Secured Party as Secured Party may select, in its sole discretion, as Borrower's true and lawful attorney-in-fact, (i) in order to implement this Security Agreement and the lien granted hereunder, at any time, with power to (a) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for the Secured Party in the use of or application for the Trademarks, Licenses or Patents, or (b) take any other actions with respect to the Trademarks, Licenses or Patents as the Secured Party deems in the best interest of the Secured Party, and (ii) from and after the occurrence of an Event of Default and the giving by Secured Party of written notice to Borrower of Secured Party's intention to enforce its rights and claims against any of the Trademarks, Licenses or Patents, to (a) grant or issue any exclusive or nonexclusive license under the Trademarks or Patents to anyone, or (b) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks, Licenses or Patents to anyone. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Borrower's Obligations shall have been paid and performed in full or the security interests granted to Borrower by this Security Agreement have been released.

13. NOTICES. All notices and communications under this Security Agreement shall be given in accordance with the Loan Agreement.

14. SUCCESSORS AND ASSIGNS. This Security Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of Secured Party and Borrower.

15. APPLICABLE LAW. THIS SECURITY AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WISCONSIN, EXCEPT TO THE EXTENT THAT SUCH LAWS ARE PREEMPTED BY FEDERAL LAW OR THAT APPLICABLE LAW REQUIRES THAT THE LAWS OF ANOTHER JURISDICTION GOVERN THE PERFECTION AND ENFORCEMENT OF THE SECURITY INTERESTS GRANTED TO SECURED PARTY.

16. TERMINATION. This Security Agreement shall terminate upon the payment in full of Borrower's Obligations.


17. FACSIMILE EXECUTION. Delivery of an executed counterpart of this Security Agreement by telefacsimile shall be equally as effective as delivery of a manually executed counterpart of this Security Agreement. Any party delivering an executed counterpart of this Security Agreement by telefacsimile shall also deliver a manually executed counterpart of this Security Agreement, but the

failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Security Agreement.

This Security Agreement has been executed and delivered by each of the parties hereto by a duly authorized officer of each such party on the date first set forth above.


SECURED PARTY:

ALLIANCE LAUNDRY SYSTEMS,
LLC, a Delaware limited liability
company

By: 
Name: Bruce P. Rounds
Title: VP, CFO AND Treasurer

BORROWER:

LAUNDROMAX T/M, LLC, a
Delaware limited liability company

By: 
Name: Donald B. Posner
Title: Manager

ACKNOWLEDGEMENT

STATE OF WISCONSIN)

ss:

COUNTY OF FOND DU LAC)

On this 26th day of March, 2001, before me, Kristin R. Hereid,

the undersigned notary public commissioned and sworn, appeared Bruce P. Rounds, personally known to me to be the person that executed the within instrument and acknowledged to me that he executed the same on behalf of ALLIANCE LAUNDRY SYSTEMS LLC, a Delaware limited liability company, in his authorized capacity.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written.


Kristin R. Hereid
Notary Public

My Commission Expires: 1/30/04

ACKNOWLEDGMENT

STATE OF NEW YORK)
 ss:
COUNTY OF NEW YORK)

On this 17th day of March, 2001, before me appeared Donald B. Posner, the person who signed this instrument, who acknowledged that he/she signed it as a free act on his/her own behalf (or on behalf of the identified corporation or other juristic entity with authority to do so).



Notary Public

MARK S. BAUMAN
Notary Public, State of New York
No. 02BA4656059
Qualified in Westchester County
Commission Expires April 30, ~~1999~~ 2001

Secured Party: Alliance Laundry Systems, LLC, a Delaware limited liability company
Debtor/Borrower: Laundromax T/M, LLC, a Delaware limited liability company

EXHIBIT A

COLLATERAL

A. All equipment of Debtor, whether now owned or hereafter acquired, including without limitation all washers and dryers, whether coin-or card-operated or cashless, and all items of equipment ancillary to usage in a laundromat, including without limitation bulkheads, boilers, soap dispensers and coin changers (all of the foregoing being referred to herein collectively as the "Equipment"), whether such Equipment is installed, in the process of installation, or in transit to a facility operated by Debtor, or held by Debtor as inventory awaiting installation, or for the purpose of providing replacement items of Equipment or spare parts; together with all substitutions and replacements for and products of any of the foregoing property and together with all proceeds of the sale, lease or other disposition of any and all of the foregoing property, any and all proceeds of insurance thereon, and together with (i) all accessions, accessories, attachments, additions, parts, spare parts, and repairs now or hereafter attached or affixed to any such collateral, and (ii) all policies of insurance insuring the same, including without limitation those locations described on Schedule 1 which is attached hereto and incorporated herein by this reference, as said Schedule 1 may hereafter be amended, modified or supplemented from time to time (collectively, the "Facilities");

B. All Debtor's right, title and interest in and to all lease agreements or other forms of operating rights now held or hereafter acquired pursuant to which the Debtor leases and occupies properties of third parties, including, without limitation, those locations described in Schedule 1 which is attached hereto and incorporated herein by this reference, as said Schedule 1 may hereafter be amended, modified or supplemented from time to time;

C. All general intangibles of Borrower, including without limitation the Trademarks and Patents listed on Exhibit A-1 and Exhibit A-2, whether now owned or hereafter acquired, including, but not limited to, applications for patents, patents, copyrights, trademarks and the goodwill associated therewith, trade secrets, good will, trade names, customer lists, permits and franchises, and the right to use Borrower's name.

D. All of Borrower's right, title and interest in and to any fixtures located at one of the Facilities;

E. All Debtor's books, records, writings, databases, information, computer hardware and software arising from, relating to or existing at the Facilities and/or Debtor's business operations therein (and all documentation therefor or relating thereto and all licenses relating to or covering such computer hardware, software and/or documentation), and all trademarks, service marks, business names, designs, logos, indicia, and/or other source and/or business identifiers (and the goodwill of the business relating thereto) related to the Facilities and/or Debtor's business operations therein, and all registrations which have heretofore been or may hereafter be issued thereon throughout the world, and other property applicable to, relating to, used or useful in connection with, evidencing, embodying, incorporation or referring to, any of the foregoing;

F. All Debtor's proceeds, products, rents, issues, profits and returns of and from any of the foregoing which arise from or relate to the Facilities and/or Debtor's business operations therein;

G. All cash and accounts of Debtor arising from, relating to or existing at the Facilities and/or Debtor's business operations therein. including, without limitation, cash in machines; and

H. All rights of Debtor arising under any Asset Purchase Agreement, Stock Purchase Agreement, or other comparable agreement pursuant to which Debtor acquired any of the Facilities, if such acquisition was financed by Secured Party;

together with all substitutions and replacements for and products of any of the foregoing property and together with all proceeds of the sale, lease or other disposition of any and all of the foregoing property, any and all proceeds of insurance thereon and, in the case of all tangible collateral, together with (i) all accessions and all accessories, attachments, additions, parts, equipment and repairs now or hereafter attached or affixed to or used in connection with any such collateral, and (ii) all warehouse receipts, bills of lading and other documents of title now or hereafter covering such collateral.

EXHIBIT A-2

PATENTS

NONE

EXHIBIT B

CHIEF BUSINESS LOCATION OF DEBTOR

Laundromax T/M, LLC
20 Haarlem Avenue, Suite 404
Attention: Danny Stanton, CPA
White Plains, New York 10603

SCHEDULE 1

FACILITIES

630 Somerville Avenue
Somerville, MA 02143

55 Mill Street
Worcester, MA 01603

3050 Washington Street
Roxbury, MA 02119

1060-1062 River Street
Hyde Park, MA 02136

528 Main Street
Brockton, MA 02301

611 Hyde Park Avenue
Roslindale, MA 02131

236 Brighton Avenue
Allston, MA 02134

120 VFW Parkway
Revere, MA 02151

5 Quintin Avenue
Attleboro, MA 02703

1315 Broad Street
Providence, RI 02905

200 Main Street
Haverhill, MA 01830

4322 N. Broad Street
Philadelphia, PA 19140

1500 East Erie Avenue
Philadelphia, PA

4017-59 N. 5th Street
Philadelphia, PA 19140

2501 Kensington Avenue
Philadelphia, PA

1001 Snyder Avenue
Philadelphia, PA 19148

6391 Oxford Avenue
Philadelphia, PA 19111

1900-1918 N. 5th Street
Philadelphia, PA 19122