

11-23-2001

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Form PTO-1594

(Rev. 03/01)

OMB No. 0651-0027 (exp. 5/31/2002)

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U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Spinnaker's of Midlothian, Inc.

- Individual(s)
- General Partnership
- Corporation-State Virginia
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached?  Yes  No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: November 13, 2001

2. Name and address of receiving party(ies)

Name: CIT Small Business Lending Corporation

Internal

Address: \_\_\_\_\_

Street Address: 650 CIT Drive

City: Livingston State: NJ Zip: 07039

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Delaware
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from assignment)  
Additional name(s) & address(es) attached?  Yes  No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1205013

1205022

Additional number(s) attached  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: R. Joel Ankney

Internal Address: \_\_\_\_\_

Troutman Sanders Mays & Valentine LLP

Street Address: 4425 Corporation Lane, Ste 420

City: Virginia Beach State: VA Zip: 23462

6. Total number of applications and registrations involved: \_\_\_\_\_

2

7. Total fee (37 CFR 3.41).....\$ 65.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. 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.

CAROLYN STEDRONSKY Carolyn Stedronsky  
Name of Person Signing Signature

AVP-11/14/01  
Date

6

Total number of pages including cover sheet, attachments, and document:

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patent & Trademarks, Box Assignments  
Washington, D.C. 20231

11/23/2001 LNUELLER 00000011 1205013

01 FC:481  
02 FC:482

40.00 DP  
25.00 DP

TRADEMARK  
REEL: 002398 FRAME: 0451

<b>SBA LOAN NO.</b>
PLP 476-803-4010

**U.S. Small Business Administration**

**SECURITY AGREEMENT**

1. Spinnaker's of Midlothian, Inc. (hereinafter called "Debtor"),  
 (Name)  
11500 Midlothian Turnpike, Richmond, VA 23235, for value received,  
 (Address)

hereby grants to CIT Small Business Lending Corporation,  
 (Name)  
650 CIT Drive, Livingston, New Jersey 07039 (hereinafter called  
 (Address)

"Secured Party"), a security interest in the property described below (hereinafter collectively called "Collateral") to secure the payment of the principal and interest on and all obligations under a note (hereinafter called the "Note"), dated November 13, 2001, of the Debtor payable to the order of the Secured Party, in the principal amount of Five Hundred Seventy-two Thousand and No/100 Dollars (\$572,000.00), all renewals and extensions of the Note, and all costs, expenses, advances and liabilities which may be made or incurred by Secured Party in the disbursement, administration and collection of the loan evidenced by the Note and in the protection, maintenance and liquidation of the security interest hereby granted with interest at the maximum legal rate on such costs, expenses, advances and liabilities. The Note and all other obligations secured hereby are herein collectively called the "Liabilities."

2. The Collateral in which this security interest is granted is all of the Debtor's property described below in reference to which an "X" or checkmark has been placed in the box applicable thereto, together with all the proceeds and products therefrom. If two such boxes are so marked, the security interest so designated secures the purchase money from the loan used by the Debtor to acquire title to the Collateral.

- a. All equipment and machinery, including power-driven machinery and equipment, furniture and fixtures now owned or hereafter acquired, together with all replacements thereof, all attachments, accessories, parts and tools belonging thereto or for use in connection therewith.
- b. All passenger and commercial motor vehicles registered for use upon public highways or streets, now owned or hereafter acquired, together with all replacements thereof, all attachments, accessories, parts, equipment and tools belonging thereto or for use in connection therewith.
- c. All inventory, raw materials, work in process and supplies now owned or hereafter acquired.
- d. All accounts, deposit accounts, and health care insurance receivables now outstanding or hereafter arising.
- e. All chattel paper, instruments, and general intangibles now in force or hereafter acquired.

Wheresoever any of the foregoing property may be located and including without limitation those specific items of collateral listed on Schedule A attached hereto and incorporated herein by reference.

3. Debtor shall not transfer, sell or assign Debtor's interest in the Collateral nor permit any other security interest to be created thereon without Secured Party's prior written approval, except that Debtor may sell the inventory listed in Paragraph 2.c. hereof in the ordinary course of business on customary terms and at usual prices and may collect as Secured Party's agent sums due on accounts receivable and contract rights listed in Paragraphs 2.d. and 2.e. until advised otherwise by Secured Party.
4. Debtor shall keep, store or regularly garage all Collateral at locations approved by Secured Party in writing.
5. Debtor shall not conduct business under any other name than that given above nor change or reorganize the type of business entity under which it does business except upon prior written approval of Secured Party. If such approval is given, Debtor guarantees that all documents, instruments and agreements demanded by Secured Party shall be prepared and filed at Debtor's expense before such change of name or business entity occurs.
6. Debtor shall pay the filing and recording costs of any documents or instruments necessary to perfect, extend, modify, or terminate the security interest created hereunder, as demanded by Secured Party. Debtor hereby authorizes Secured Party to file a financing statement with respect to the Collateral and ratifies the filing by Secured Party of any such financing statements previously filed.
7. Debtor shall maintain all Collateral in good condition, pay promptly all taxes, judgments, or changes of any kind levied or assessed thereon, keep current all rent due on premises where Collateral is located, and maintain insurance on all Collateral against such hazards, in such amounts and with such companies as Secured Party may demand, all such insurance policies to be in the possession of Secured Party and to contain a Lender's Loss Payable Clause naming Secured Party in a manner satisfactory to Secured Party. Debtor hereby assigns to Secured Party any proceeds of such policies and all unearned premiums thereon, and authorizes and empowers Secured Party to collect such sums and to execute and endorse in Debtor's name all proofs of loss, drafts, checks and any other documents necessary to accomplish such collections, and any persons or entities making payments to Secured Party under the terms of this Paragraph are hereby relieved absolutely from any obligation to see to the application of any sums so paid.
8. Debtor shall be in default hereunder if Debtor fails to perform any of the liabilities imposed hereby or any other obligation required by the various instruments or papers evidencing or securing this loan, or if the full balance of the loan becomes immediately payable under the terms of such instruments, either automatically or by declaration of the Secured Party. In the event of any default, Secured Party may, in its own discretion, cure such default and, if it does so, any expenditures made for such purpose shall be added to the principal of the Note.
9. In the event of default, Debtor shall assemble and make available all Collateral at any place designated by Secured Party. Debtor acknowledges being advised of a constitutional right to a court notice and hearing to determine whether, upon default, there is probable cause to sustain the validity of the Secured Party's claim and whether the Secured Party is entitled to possession of the Collateral and being so advised, Debtor hereby voluntarily gives up, waives and surrenders any right to a notice and hearing to determine whether there is probable cause to sustain the validity of Secured Party's claim. Any notices required pursuant to any state or local law shall be deemed reasonable if mailed by Secured Party to the persons entitled thereto at their last known addresses at least ten days prior to disposition of the Collateral, and, in reference to a private sale, need state only that Secured Party intends to negotiate such a sale. Disposition of Collateral shall be deemed commercially reasonable if made pursuant to a public offering advertised at least twice in a newspaper of general circulation in the community where the Collateral is located or by a private sale for a sum equal to or in excess of the liquidation value of the Collateral as determined by Secured Party.
10. All rights conferred on Secured Party hereby are in addition to those granted to it by any state or local law or any other law. Failure or repeated failure to enforce any rights hereunder shall not constitute an estoppel or waiver of Secured Party's rights to exercise such rights accruing prior or subsequent thereto. Secured Party shall not be liable for any loss to Collateral in its possession, nor shall such loss diminish the debt due, even if the loss is caused or contributed to by Secured Party's negligence.

"The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:

- a) When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.
- b) Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument."

If Debtor is an organization, Debtor (a) is the type of organization, (b) is organized under the laws of the jurisdiction, (c) has its chief executive office, and (d) if it is a "registered organization" as defined in Article 9 of the Uniform Commercial Code (i.e., organized solely under the laws of a single State and as to which the State must maintain a public record showing the organization to have been organized), has the organizational identification number (or, if none, has been assigned no such number by the State of organization), all as set forth under Debtor's name (which is its exact and complete legal name) at the signature line of this Security Agreement. If Debtor is an individual, Debtor's exact and complete legal name and principal residence are as set forth at and under Debtor's name at the signature line of this Security Agreement. Debtor agrees to notify Secured Party immediately in the event of a change in any of the foregoing facts and information.

In witness whereof, the undersigned has executed this Security Agreement as of this  
13th \_\_\_\_\_ day of \_\_\_\_\_ November, 2001

WITNESS/ATTEST:

Name: \_\_\_\_\_

SPINNAKER'S OF MIDLOTHIAN, INC.

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

Gregg A. Gregory, President

(SEAL)

Type of organization: Corporation

Jurisdiction of organization: Commonwealth of Virginia

Organizational Identification Number (or "None"): 0560690-0

Location of chief executive office: 11500 Midlothian Turnpike, Richmond, VA 23235

If an individual, Principal residence: N/A

SCHEDULE A TO SECURITY AGREEMENT

Preparation cutlery Misc. preparation smallwares Kitchen storage containers Dishmachine racks Janitorial equipment Tape deck Microwave Hand vaccuum Misc. equipment hose Sound system Misc. kitchen equipment Microwave Worktable with ice pan Walk in cooler (serial number LR46515) – vulcan Cooler shelving 4 tier storage shelf Salad prep-table with gold fax Wall shelf Salad sink 4 tier storage shelf Pot sink Pot and pan rack Soled and clean dishtables Ban stainless hand sink Bar rinse unit tap Bakery rack shelf Wall shelf Water situation with ice chest Ice chest Dunnage rack Store room shelving Disconnect hoses – gas flex Refrigerated beer display case Ice cream parezir-silver king Mug froster-beverage air (serial number 5702805) Cocktail station Draft beer cooler Bar sink – perlick Cocktail station – perlick Ice-chest – perlick AT&T jacks and wire for phones Devore-steel bar sink Ribrate AT&T phone Charge card terminals (2) and printers Devore (36) skilletts with underliners Schear	Soda heads Draft cooler Telephone Potato warmer Charbroiler wolf Chesbemelter wolf Range-wof single oven Frenchfry warmer matco (3) vulcan fryers Freezer-blenco Worktable 8' x 30' Spice shelf (2) Wall shelf Convection oven – vulcan Slicer – fleetwoods (2) prep table 3' x 24' Walk in freezer (serial number 80188) – vulcan Freezer shelving (4) bun pan rack 4 tier storage shelf Ice machine Sandwich unit beverage air Food warmer Warmer stand Refrigerated base unit Stainless over shelf (2) heat lamps matco Salad refrigerator – blenco Sandwich unit beverage air Worktable 72' x 30' Refrigerated deli display Convection oven – vulcan Bun pan rack Proofing cabinet Ice cream freezer Hand sink Misc. bar supplies Bar supplies – glassware Table top accessories Aluminum and stainless prep pans Kitchen utensils Sandwich unit – beverage air
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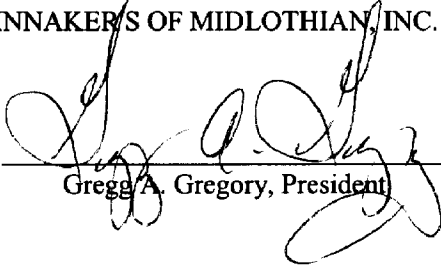
NCR cable and wiring for terminals Booster heater (1) New white china AT&T phone equipment	
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All right, title and interest in and to ABC License No. 013592 issued by the Virginia Department of Alcoholic Beverage Control to Spinnaker's of Midlothian, Inc., and any renewals or replacements thereof.

All right, title, and interest in and to the following trademarks: (a) SPINNAKER'S trademark which is the subject of registration number 1,205,013 at the United Patent & Trademark Office and (b) SPINNAKER'S trademark and design, which is the subject of registration number 1,205,022 at the United States Patent & Trademark Office (collectively, the "Marks"), and their respective trademark registrations, and the goodwill of the business symbolized by the Marks.

SPINNAKER'S OF MIDLOTHIAN, INC.

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

  
Gregg A. Gregory, President