

11-29-2001



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

101903339

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

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

11-26-01

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

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

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 Corporation 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.)

11/28/2001 LMUELLER 00000093 907369

FOR OFFICE USE ONLY

01 FC:401
02 FC:402

40.00 OP
75.00 OP

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: 002400 FRAME: 0342

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" value="907369"/>	<input type="text" value="1425416"/>	<input type="text" value="1395496"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2447872"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<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.

Jane Eckels
Name of Person Signing



Signature

11/26/01
Date Signed

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("Agreement") made as of the 7th day of November, 2001, by and between DeaHinder, LLC ("Company"), a Washington limited liability company, with its chief executive office located at 1011 Western Avenue, Suite 505, Seattle, WA 98104 and Citicorp USA, Inc., a Delaware corporation, with its principal office located at 153 East 53rd Street, New York, NY 10043 ("Lender").

W I T N E S S E T H:

WHEREAS, Pace International, LLC ("Pace") and Lender are parties to that certain Loan and Security Agreement dated May 9, 2000 as amended, modified, restated and supplemented from time to time, (the "Loan Agreement"), pursuant to which Lender has agreed to make certain loans to Pace and Pace has granted to the Lender a security interest in all of its property and interests in property to secure the repayment of such loans;

WHEREAS, Company is a wholly-owned subsidiary of Pace to which Pace has transferred the trademarks described on Schedule A attached hereto;

WHEREAS, as a result of the foregoing, the Lender has required in accordance with the terms of the Loan Agreement, Company has executed and delivered to Lender that certain Guarantee, Pledge and Security Agreement dated as of November 7, 2001, as may be amended, modified, restated and supplemented from time to time (the "Guarantee") pursuant to which the Company has guaranteed all of the obligations of Pace under and in connection with the Loan Agreement and the Company has granted a security interest in all of its assets to secure its obligations under the Guarantee;

WHEREAS, in furtherance of the foregoing, Lender has required Company to execute and deliver this Agreement;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Company agrees as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, each capitalized term used herein that is defined in the Loan Agreement shall have the meaning specified for such term in the Loan Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular

provision of this Agreement, and section references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Incorporation of Premises. The premises set forth above are incorporated into this Agreement by this reference hereto and are made a part hereof.

3. Incorporation of the Loan Agreement. The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.

4. Security Interest in Trademarks. To secure the complete and timely payment, performance and satisfaction of all of the obligations and liabilities of the Company under the Guarantee, Company hereby grants to Lender a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of Company's:

(a) now owned or existing and hereafter acquired or arising trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including, without limitation, the trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications listed on Schedule A attached hereto and made a part hereof, together with any good will connected with and symbolized by any such trademarks, trademark applications, service marks, registered service marks, service mark applications, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iii) the right to sue for past, present and future infringements and dilutions thereof, and (iv) all of Company's rights corresponding thereto throughout the world (all of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications, together with the items described in clauses (i)-(iv) in this paragraph 4(a), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and

(b) rights under or interest in any trademark license agreements or service mark license agreements with any other party, whether Company is a licensee or licensor under any such license agreement, together with any goodwill connected with and symbolized by any such trademark license agreements or service marks license agreements, including, without limitation, those trademark license agreements and service mark license agreements listed on Schedule B attached hereto and made a part hereof, and the right to prepare for sale and sell any and all Inventory now or hereafter owned by Company and now or hereafter

covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Licenses").

Lender hereby acknowledges and agrees that the security interest described above is and shall be subordinate to the exclusive license granted by the Company to E.M. Matson, Jr. Co., Inc. ("Matson") pursuant to the Trademark License Agreement dated July 3, 2001 between the Company and Matson.

5. Restrictions on Future Agreements. Company will not, without Lender's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Company further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any respect affect the validity or enforcement of the rights transferred to Lender under this Agreement or the rights associated with those Trademarks or Licenses.

6. New Trademarks and Licenses. Company represents and warrants that (a) the Trademarks listed on Schedule A include all of the trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications now owned by Company, (b) the Licenses listed on Schedule B include all of the trademark license agreements and service mark license agreements pursuant to which Company is the licensee or licensor thereunder and (c) no other liens, claims or security interests have been granted by Company to any other Person in such Trademarks and Licenses. If, prior to the termination of this Agreement, Company shall (i) obtain rights to any new trademarks, registered trademarks, trademark applications, service marks, registered service marks or service mark applications, (ii) become entitled to the benefit of any trademarks, registered trademarks, trademark applications, trademark licenses, trademark license renewals, service marks, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor, or (iii) enter into any new trademark license agreement or service mark license agreement, the provisions of paragraph 4 above shall automatically apply thereto. Company shall give to Lender written notice of events described in clauses (i), (ii) and (iii) of the preceding sentence on a quarterly basis. Company hereby authorizes Lender to modify this Agreement by amending Schedule A to include any future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications and by amending Schedule B to include any future trademark license agreements and service mark license agreements, which are Trademarks or Licenses under paragraph 4 above or under this paragraph 6.

7. Royalties. Company hereby agrees that the use by Lender of the Trademarks and the Licenses as authorized hereunder in connection with the exercise of its remedies under paragraph 16 shall be coextensive with Company's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Lender to Company.

8. Right to Inspect; Further Assignments and Security Interests. The Lender may at all reasonable times (and at any time when a Default or an Event of Default exists) have access to, examine, audit, make copies (at Company's expense) and extracts from and inspect Company's premises and examine Company's books, records and operations relating to the

Trademarks and the Licenses, including, without limitation, Company's quality control processes; provided that, in conducting such inspections and examinations, Lender shall use reasonable efforts not to unnecessarily disturb the conduct of Company's ordinary business operations. From and after the occurrence of an Event of Default, Company agrees that Lender, or a conservator appointed by Lender, shall have the right to establish such reasonable additional product quality controls as Lender or such conservator, in its sole and absolute judgment, may deem necessary to assure maintenance of the quality of products sold by Company under the Trademarks and the Licenses. Company agrees (a) not to sell or assign its interest in, or grant any license under, the Trademarks or the Licenses without the prior and express written consent of Lender which consent will not be unreasonably withheld, (b) to maintain the quality of said products as of the date hereof, and (c) not to change the quality of such products in any material respect without Lender's prior and express written consent which consent will not be unreasonably withheld.

9. Termination of Lender's Security Interest. This Agreement is made for collateral security purposes only. Upon payment in full of all of the Obligations, this Agreement shall terminate and Lender shall promptly execute and deliver to the Company, at Company's expense, all termination statements and other instruments as may be necessary or proper to terminate Lender's security interest in the Trademarks and the Licenses, subject to any disposition thereof which may have been made by Lender pursuant to this Agreement or the Loan Agreement.

10. Duties of Company. Company shall have the duty, to the extent desirable in the normal conduct of Company's business, to: (a) prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or thereafter until the termination of this Agreement, and (b) make application for trademarks or service marks. Company further agrees (i) not to abandon any Trademark or License without the prior written consent of Lender and (ii) to use its best efforts to maintain in full force and effect the Trademarks and Licenses, that are or shall be necessary or economically desirable in the operation of Company's business. Any expenses incurred in connection with the foregoing shall be borne by Company.

11. Lender's Right to Sue. From and after the occurrence of an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and Licenses and, if Lender shall commence any such suit, Company shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement. Company shall, upon demand, promptly reimburse Lender for all costs and expenses incurred by Lender in the exercise of its rights under this paragraph 11 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for Lender).

12. Waivers. Lender's failure, at any time or times hereafter, to require strict performance by Company of any provision of this Agreement shall not waive, affect or diminish any right of Lender thereafter to demand strict compliance and performance therewith nor shall any course of dealing between Company and Lender have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and

representations of Company contained in this Agreement shall be deemed to have been suspended or waived by Lender unless such suspension or waiver is in writing signed by an officer of Lender and directed to Company specifying such suspension or waiver.

13. Lender's Exercise of Rights and Remedies upon an Event of Default.

Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence of an Event of Default, Lender may exercise any of the rights and remedies provided in this Agreement, the Loan Agreement and any other Loan Documents.

14. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part hereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

15. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in paragraphs 4 and 6 hereof or by a writing signed by the parties hereto.

16. Cumulative Remedies; Power of Attorney. All of Lender's rights and remedies with respect to the Trademarks and the Licenses, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. From and after the occurrence of an Event of Default and the giving of written notice by Lender to Company of Lender's intention to enforce its rights and claims against Company, Company hereby irrevocably designates, constitutes and appoints Lender (and all Persons designated by Lender in its sole and absolute discretion) as Company's true and lawful attorney-in-fact, and authorizes Lender and any of Lender's designees, in Company's or Lender's name, from and after the occurrence of an Event of Default, to (a) endorse Company's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Trademarks or the Licenses, (b) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks or the Licenses to anyone on commercially reasonable terms, (c) grant or issue any exclusive or nonexclusive license under the Trademarks or, to the extent permitted, under the Licenses, to anyone on commercially reasonable terms, and (d) take any other actions with respect to the Trademarks or the Licenses as Lender deems in its best interest. Lender shall take no action pursuant to subparagraphs (a), (b), (c) or (d) of this paragraph 16 without taking like action with respect to the entire goodwill of Company's business connected with the use of, and symbolized by, such Trademarks or Licenses. Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the Obligations shall have been paid in full. Company acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Loan Agreement, but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as

enacted in any jurisdiction in which the Trademarks or the Licenses may be located or deemed located.

17. Successors and Assigns. This Agreement shall be binding upon Company and its successors and assigns, and shall inure to the benefit of Lender and its successors and assigns. Company's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession to the extent that any of the foregoing are considered to be a successor or assign of or for the Company; provided, however, that Company shall not voluntarily assign or transfer its rights or obligations hereunder without Lender's prior written consent.

18. Governing Law. This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the internal laws (as opposed to conflicts of law provisions) and decisions of the State of New York.

19. Notices. All notices or other communications hereunder shall be given in the manner set forth in the Loan Agreement to the addresses of the parties set forth under each party's signature below.

20. Lender's Duty. Lender shall not have any duty with respect to the Trademarks or the Licenses. Without limiting the generality of the foregoing, Lender shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks or the Licenses against any other parties, but may do so at its option, and all expenses incurred in connection therewith shall be for the sole account of Company and added to the Obligations secured hereby.

21. Section Titles. The section titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

(Remainder of Page Intentionally Left Blank)

(Signatures on Next Page)

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement
as of the 7th day of November, 2001.

DEAHINDER, LLC, a Washington limited liability
company

By: _____

Name: _____

Title: _____

Notice Address:

c/o Pace International, LLC
1011 Western Avenue
Suite 505
Seattle, WA 98104
Attn: Chief Executive Officer

Accepted and agreed to as of the
____ day of November, 2001, by:

CITICORP USA, INC.

By: _____

Name:

Title:

Notice Address:

c/o Citibank, N.A.
56th Floor/Zone 9
153 East 53rd Street
New York, NY 10043
Attn: Tom Sullivan

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the 7th day of November, 2001.

DEAHINDER, LLC, a Washington limited liability company

By: _____

Name:

Title:

Notice Address:

% Pace International, LLC
1011 Western Avenue
Suite 505
Seattle, WA 98104
Attn: Chief Executive Officer

Accepted and agreed to as of the 7th day of November, 2001, by:

CITICORP USA, INC.

By: William Demick

Name: *William Demick*

Title: *Vice President*

Notice Address:

% Citibank, N.A.
56th Floor/Zone 9
153 East 53rd Street
New York, NY 10043
Attn: Tom Sullivan

Schedule A
to
Trademark Security Agreement

Dated as of November 7, 2001

Trademarks

<u>Mark</u>	<u>Registration Number</u>
DEADLINE	0,907,369
DEADLINE BULLETS	1,425,416
HINDER	1,395,496
One Last Meal for Slugs and Snails	2,447,872

Schedule B
to
Trademark Security Agreement

Dated as of November 7, 2001

Licenses

Trademark License Agreement, dated as of July 3, 2001, by and among Pace International, LLC, E.M. Matson, Jr. Co., Inc., DeaHinder, LLC, Herman Sarkowsky and George Lobisser, as may be amended from time to time.

Trademark License Agreement, dated July 3, 2001, by and between the Company and Pace International, LLC, as may be amended from time to time.