



06-10-2002



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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 3/31/2002) Tab settings

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): JETSET TOURS, INC. 6.4.02
Individual(s) Association
General Partnership Limited Partnership
[X] Corporation-State
[X] Other CALIFORNIA CORPORATION
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: EALING CORP
Internal Address: C/O LOWESTFARE.COM, LLC
Street Address: 10650 CHARLESTON BLVD
City: LAS VEGAS State: NV Zip: 89135
Individual(s) citizenship
Association
General Partnership
Limited Partnership
[X] Corporation-State NEVADA
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

3. Nature of conveyance:
Assignment Merger
[X] Security Agreement Change of Name
Other
Execution Date: 2/1/02

4. Application number(s) or registration number(s):
A. Trademark Application No.(s) SEE ATTACHED
B. Trademark Registration No.(s)
Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: TONYA CHAPPLE
Internal Address: C/O CSC
Street Address: 80 STATE STREET
City: ALBANY State: NY Zip: 12207

6. Total number of applications and registrations involved: 9
7. Total fee (37 CFR 3.41): \$ 240.00
[X] 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.
TONYA CHAPPLE
Name of Person Signing
Signature
Date: 5-23-02

Total number of pages including cover sheet, attachments, and document: 20
Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

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01 FC:461
02 FC:482
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SCHEDULE A

<u>Mark</u>	<u>Serial No.</u>	<u>Date Filed</u>
Jetset Tours	76/139535	10/02/2000
Jetset and Design	76/139370	10/02/2000
Jetset Tours	76/139823	10/02/2000
Jetset and Design	76/139538	10/02/2000
Farenet	75/199198	11/18/1996
Freedom Fare and Design	73/831101	10/13/1989
Freedom Fare	73/831084	10/13/1989
Orient Arrangements	73/651479	03/26/1987
Jetset Tours	73/700353	12/11/1987

Jetset 2/1/02

SECURITY AGREEMENT

SECURITY AGREEMENT dated February 1, 2002 by and between Jetset Tours, Inc., a California corporation (the "Company"), and Ealing Corp., a Nevada corporation ("Secured Party").

W I T N E S S E T H

WHEREAS, pursuant to a Loan Agreement of even date (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among the Company and the Secured Party, the Secured Party has agreed to make a loan to the Company, such loan being evidenced by the Note issued by the Company thereunder; and

WHEREAS, it is a condition precedent to the obligation of the Secured Party to make the loan to the Company under the Loan Agreement that the Company shall have executed and delivered this Security Agreement to the Secured Party;

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties and covenants hereinafter set forth, the parties hereto hereby agree as follows:

Section 1. Defined Terms.

1. Defined Terms. Capitalized terms used herein and not otherwise defined have the meaning ascribed to them in the Loan Agreement; the following terms which are defined in the Uniform Commercial Code in effect in the State of Nevada on the date hereof are used herein as so defined: "chattel paper", "documents", "goods" and "instruments"; and the following terms shall have the following meanings:

"Accounts" means all accounts receivable, book debts, notes, drafts, instruments, documents, acceptances and other forms of obligations now owned or hereafter received or acquired by or belonging or owing to the Company (including under any trade names, styles or divisions thereof) whether arising out of personal property owned or leased by it, or services rendered by it or from any other transaction, whether or not the same involves the lease of personal property, sale of goods or performance of services by the Company (including, without limitation, any such obligation which would be characterized as an account, general intangible or chattel paper under the Code) and all of the Company's rights in, to and under all purchase orders now owned or hereafter received or acquired by it for goods or services, and all of the Company's rights to any goods represented by any of the foregoing (including returned or repossessed goods and unpaid seller's rights) and all moneys due or to become due to the Company under all contracts for the sale of goods and/or the performance of services by it (whether or not yet earned by performance) under any lease of real or personal property (to the extent the grant of such a security interest is permitted by applicable law and is not prohibited by such lease), or under any franchise agreement, or in connection with any other transaction, now in existence or hereafter

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arising, including without limitation, the right to receive the proceeds of said purchase orders and contracts and rents under such leases, and all collateral security and guarantees of any kind given by any person with respect to any of the foregoing.

"Code" means the Uniform Commercial Code as from time to time in effect in the State of Nevada.

"Collateral" shall have the meaning assigned to it in Section 2 of this Security Agreement.

"Contract" means, with respect to an Account, any agreement (including, without limitation, any franchise agreement) relating to the terms of payment or the terms of performance thereof, including, without limitation, (a) all rights of the Company to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of the Company to damages arising out of, or for, breach or default in respect thereof and (c) all rights of the Company to perform and to exercise all remedies thereunder.

"Copyright License" shall mean any written agreement, naming the Company, as licensor or licensee, granting any right in the United States to use any Copyright including, without limitation, any referred to in Schedule I hereto.

"Copyrights" shall mean all of the following to the extent the Company now or hereafter has any right, title or interest: (a) all United States copyrights and all registrations and applications therefor, and (b) all renewals of such copyrights.

"Equipment" has the meaning given to it in the Code and includes, whether or not so included in such meaning, all equipment (including, but not limited to, all machinery, tools, office equipment and furniture), inventory (including but not limited to all merchandise, work in process, finished goods, supplies and all goods held, for sale or lease, or subject to any lease or rental agreement), and goods, whether now owned or hereafter acquired by the Company, or in which the Company may now have or hereafter acquire.

"General Intangibles" has the meaning given to it in the Code and includes, whether or not so included in such meaning, any franchise agreements or rights in favor of or granted by the Company to know-how, trade secrets, product or service development ideas and designs, advertising commercials, renderings, strategies and plans, blueprints, architectural drawings, site location, personnel and franchisee information, proprietary information, computer and software technology and programs, contracts with distributors, customer good-will and any similar items, all interest rate, foreign currency or similar agreements.

"License" means any Copyright License, Patent License or Trademark License.

"Obligations" means (i) the unpaid principal amount of, and interest on (including interest accruing on or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Company, whether or not a claim for such post-filing or post-petition interest is allowed), the Note and all other obligations and liabilities of the Company to the Secured Party,

whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Loan Agreement, the Note, the other Loan Documents and any other document executed and delivered or given in connection therewith or herewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all reasonable fees and disbursements of counsel to the Secured Party that are required to be paid by the Company pursuant to the terms of the Loan Agreement) or otherwise.

"Patent License" means all agreements, whether written or oral, providing for the grant by or to the Company of any right to manufacture, use or sell any invention covered by a Patent.

"Patents" means (a) all letters patent of the United States or any other country and all reissues and extensions thereof, and (b) all applications for letters patent of the United States and all divisions, continuations and continuations-in-part thereof or any other country.

"Proceeds" shall mean "proceeds", as such term is defined in Article 9 of the Code and, to the extent not included in such definition, shall include, without limitation, (a) any and all proceeds of any insurance, indemnity, warranty, guaranty or letter of credit payable to the Company, from time to time with respect to any of the Collateral, (b) all payments (in any form whatsoever) paid or payable to the Company from time to time in connection with any taking of all or any part of the Collateral by any governmental authority or any person acting under color of governmental authority, (c) all judgments in favor of the Company in respect of the Collateral and (d) all other amounts from time to time paid or payable or received or receivable under or in connection with any of the Collateral.

"Trademark License" means any agreement, written or oral, providing for the grant by or to the Company of any right to use any Trademark.

"Trademarks" means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source of business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof, or otherwise, (b) all renewals thereof.

Section 2. Grant of Security Interest.

As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations, the Company hereby grants to the Secured Party a security interest in all of the following property now owned or at any time hereafter acquired by the Company or in which the Company now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"):

- (i) all Accounts;
- (ii) all Chattel Paper;

- (iii) all Contracts;
- (iv) all Copyrights;
- (v) all Copyright Licenses;
- (vi) all Documents;
- (vii) all Equipment;
- (vii) all General Intangibles;
- (viii) all Instruments;
- (vi) all Patents;
- (vii) all Patent License;
- (viii) all Trademarks;
- (ix) all Trademark Licenses;
- (x) all other tangible and intangible personal property, whether now or hereafter owned by the Company, and wherever located; and
- (xi) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing;

it being the intent of the Company and Secured Party that all of Company's assets, whether now or hereafter owned and all of the Proceeds and products thereof shall be Collateral for the benefit of Secured Party.

Section 3. Filing; Further Assurances.

The Company shall at all times during the term of this Security Agreement, at its sole cost and expense, execute, deliver, file and record (in such manner and form as Secured Party may reasonably request), or permit Secured Party to file and record, any financing statements, any carbon, photographic or other reproduction of a financing statement or this Security Agreement (which shall be sufficient as a financing statement hereunder), any specific assignments or other paper that may be reasonably necessary or desirable, or that Secured Party may reasonably request, in order to create, preserve, perfect or validate the security interest created hereby or to enable Secured Party to exercise and enforce its rights hereunder with respect to any of the Collateral. The Company hereby appoints Secured Party as the Company's attorney-in-fact to execute in the name and on behalf of the Company such additional financing statements as Secured Party may reasonably request.

Section 4. Representations and Warranties.

The Company represents and warrants as follows:

(a) The Company owns the Collateral free and clear of any lien, security interest, charge or encumbrance except for the security interest created hereby in favor of the Secured Party.

(b) This Security Agreement creates a valid first priority security interest in the Collateral securing the payment of the Obligations, and all filings and other actions necessary or desirable to perfect and protect such security interest have been, or will upon request be, duly taken by the Company.

(c) The Company has the corporate power and authority and the right to execute and deliver, to perform its obligations under, and to grant the lien on the Collateral pursuant to, this Security Agreement and has taken all necessary corporate

action to authorize its execution, delivery and performance of, and grant of the lien on the Collateral pursuant to, this Security Agreement.

(d) No litigation, investigation or proceeding of or before any arbitrator or governmental authority is pending or, to the knowledge of the Company, threatened by or against the Company or against any of its properties or revenues with respect to this Security Agreement or any of the transactions contemplated hereby which would have a material adverse effect upon any material portion of the Collateral or the granting of the security interests hereby.

Section 5. Covenants.

The Company hereby covenants and agrees:

(a) The Company will defend the Collateral against all claims and demands of all persons at any time claiming any interest therein.

(b) The Company shall insure the Collateral with companies reasonably acceptable to Secured Party against such casualties as Secured Party shall reasonably require; provided, however, that the Secured Party hereby acknowledges that the companies currently insuring the Collateral against casualties are acceptable and that the insurance coverage currently maintained by the Company on the Collateral or any substantially similar coverage is acceptable to Secured Party. As soon as reasonably practicable following the date hereof, the Company shall cause all insurance policies to be written for the benefit of the Company and Secured party as their interests may appear, in form reasonably satisfactory to Secured Party. The Company shall use its best efforts to cause such policies or certificates evidencing the same to be furnished to Secured Party as soon as reasonably practicable and to cause such policies of insurance to provide for written notice to Secured Party at least ten days prior to cancellation. Any proceeds of any insurance policy paid or delivered with respect to any event covered by such insurance policies shall be delivered only to the Company, and the Company shall utilize those proceeds to repair or replace the Collateral damaged or destroyed as a result of such event or otherwise remedy such event to the extent practicable; provided, however, that to the extent that it is impossible or impracticable for the Company to repair, replace or otherwise remedy such damage to or destruction of the Collateral, such proceeds shall be paid to Secured Party.

(c) The Company will promptly pay all costs necessary to obtain, preserve, perfect, defend, and enforce the security interest granted to Secured Party hereunder, collect the Obligations, and preserve, defend, enforce and collect the Collateral, including, but not limited to, any and all taxes, assessments and governmental charges upon the Collateral prior to the date penalties are attached thereto, except to the extent that such taxes, assessments and charges shall be contested in good faith by appropriate proceedings by the Company.

(d) The Company will immediately notify Secured Party of any single event or discrete series of events causing, or reasonably anticipated by the Company to cause, a substantial loss or diminution in the value of all or any material part of the Collateral (whether or not covered by insurance) and the amount or an estimate of the

amount of such loss or diminution. As used in this Section 5(d), "event" does not consist of the operation of the Collateral or the business by the Company over any time period.

(e) The Company shall (i) allow Secured Party to inspect the Collateral, at reasonable times on reasonable notice by Secured Party to the Company, and wherever located, and to inspect and copy, or furnish Secured Party with copies of, all records relating to the Collateral and the Obligations; (ii) furnish Secured Party such information in written form as Secured Party may reasonably request to identify Equipment, Accounts, and General Intangibles in the Collateral; and (iii) deliver to Secured Party, upon reasonable request, shipping and delivery receipts evidencing the shipment of goods and invoices evidencing the receipt of, and the payment for, the Collateral.

(f) Upon the occurrence and continuance of an Event of Default, Secured Party may notify persons obligated on any of the Collateral to make payments directly to Secured Party, and Secured Party may take control of all proceeds of any of the Collateral. Until Secured Party elects to exercise such rights, the Company, as agent of Secured Party, shall collect and enforce all payments owed on the Collateral.

(g) The Company at all times will maintain accurate books and records covering the Collateral. Secured Party is hereby given the right to audit the books and records of the Company relating to the Collateral at any time and from time to time.

(h) If the permitted disposition of any of the Collateral gives rise to an Account, chattel paper, or instrument, the Company shall notify Secured Party and, upon request of Secured Party, shall assign or endorse the same to Secured Party as part of the Collateral.

(i) If the Collateral is chattel paper, documents, instruments, or investment securities or other instruments, Secured Party may deliver a copy of this Security Agreement to the broker or seller thereof, or any person in possession thereof, and such delivery shall constitute notice to such person of Secured Party's security interest therein and shall constitute the Company's instruction to such person to deliver to Secured Party certificates or other evidence of the same as soon as available.

(j) The Company shall provide the Secured Party with at least thirty (30) days' written notice if the Company intends to change its name.

(k) The Company hereby waives notice of the creation, advance, increase, existence, or renewal of, and of any indulgence with respect to, the Obligations; waives presentment, demand, notice of intention to accelerate, notice of acceleration, notice of dishonor, and protest; waives notice of the amount of the Obligations outstanding at any time, notice of any change in financial condition of any person liable for the Obligations or any part thereof, notice of any Default, and all other notices respecting the Obligations; and agrees that maturity of the Obligations and any part thereof may be accelerated, extended, or renewed one or more times by Secured Party in its discretion, without notice to the Company.

(l) No renewal or extension of or any other indulgence with respect to the Obligations or any part thereof, no release of any security, no release of any person

(including any maker, endorser, guarantor, or surety) liable on the Obligations, no delay in enforcement of payment, and no delay or omission or lack of diligence or care in exercising any right or power with respect to the Obligations or any security therefor or guaranty thereof or under this Agreement shall in any manner impair or affect the rights of Secured Party under law, hereunder, or under any other agreement pertaining to the Collateral. Secured Party need not file suit or assert a claim against any person for any part of the Obligations or seek to realize upon any other security for the Obligations, before foreclosing upon the Collateral for the purpose of paying the Obligations. The Company waives any right to require or control application of any other security or proceeds thereof.

(m) The Company shall promptly inform Secured Party of any material default in the payment or performance by the Company or other parties or of material claims made by others in regard to any of the Collateral.

(n) Other than in the ordinary course of its business, the Company will not sell or offer to sell or otherwise assign, transfer or dispose of any item of Collateral or any interest therein without the prior written consent of Secured Party.

(o) The Company will keep the Collateral in good order and repair (except for (i) normal wear and tear and (ii) any Collateral which has been or is taken out of service for repair or replacement in the ordinary course of business consistent with past practice), and will not waste or destroy the Collateral or any part thereof.

(p) The Company shall not grant or permit or allow to attach or be effective any lien, security interest, charge or encumbrance on any of the Collateral other than the liens created hereunder or liens with respect to indebtedness permitted by Section 5(t) hereof.

(q) The Company will not use the Collateral in violation of any statute, ordinance or other regulation of any governmental authority having jurisdiction over the Company or the Collateral.

(r) The Company will maintain and operate its business only in the ordinary course of business consistent with past practice.

(s) The Company will pay when due its payroll with respect to its employees and all payroll taxes with respect thereto.

(t) The Company shall not incur any indebtedness other than trade debts incurred in the ordinary course of business, capital lease obligations incurred in the ordinary course of business, purchase money indebtedness incurred in the ordinary course of business, and indebtedness with respect to liability arising in the ordinary course of business; provided, however, that the Company shall not incur any indebtedness with respect to capital lease obligations or purchase money indebtedness (i) unless the assets so acquired remain the property of the Company, (ii) such indebtedness represents no more than 80% of the purchase price of the assets or Equipment so acquired, and (iii) the aggregate amount of all such indebtedness with respect to capital lease obligations and purchase money indebtedness, collectively, does not exceed \$80,000.

(u) The Company will grant to Secured Party security interests in such assets and properties of the Company as are not covered by this Security Agreement and as may be requested from time to time by Secured Party (the "Additional Security Documents"). Such security interests shall be granted pursuant to documentations, if same are necessary, satisfactory in form and substance to Secured Party and shall (except as otherwise consented to by the Secured party) constitute valid and enforceable perfected security interests superior to and prior to the rights of all third persons and subject to no other liens. The Additional Security Documents or other instruments related thereto shall have been duly recorded or filed in such manner and in such places as are required to be granted pursuant to the Additional Security Documents, and all taxes, fees and other charges payable in connection therewith shall have been paid in full.

Section 6. General Authority.

The Company hereby irrevocably appoints Secured Party as the Company's true and lawful attorney, with full power of substitution, in the name of the Company, Secured Party or otherwise, for the sole use and benefit of Secured Party, to the extent permitted by law to exercise, at any time and from time to time after an Event of Default has occurred, all or any of the following powers with respect to all or any of the Collateral (which powers shall be in addition and supplemental to any powers, rights, and remedies of Secured Party described herein):

(i) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due upon or by virtue thereof;

(ii) to receive, take, endorse, assign and deliver any and all checks, notes, drafts, documents and other negotiable and non-negotiable instruments and chattel paper taken or received by Secured Party in connection therewith;

(iii) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto;

(iv) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof as fully and effectually as if Secured Party were the absolute owner thereof;

(v) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto; and

(vi) to discharge any taxes, liens, security interests or other encumbrances at any time placed thereon.

provided, that Secured Party shall give the Company prior written notice of the time and place of any sale or other intended disposition of any of the Collateral as provided in Section 7 hereof. Nothing in this Section 6, however, shall be construed to obligate Secured Party to take any action hereunder.

Section 7. Remedies Upon Default.

If an Event of Default shall have occurred, Secured Party may exercise all of the rights and remedies of a Secured Party under the Code. In addition, Secured Party may, without being required to give any notice, except as may be required by mandatory provisions of law: (i) apply the cash, if any, then held by it as Collateral in the manner specified in Section 9 hereof; and (ii) if there shall be no such cash or if such cash shall be insufficient to pay all the Obligations in full, sell the Collateral, or any part thereof, at public or private sale or at any broker's board of or on a securities exchange, for cash, upon credit or for future delivery, and at such price or prices as Secured Party may deem satisfactory. Secured Party may require the Company, at the Company's sole expense, to assemble all or any part of the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient. Any holder of any of the Obligations may be the purchaser of any and all of the Collateral so sold at any public sale (or, if the Collateral is of a type customarily sold in recognized market or is of a type which is the subject of widely distributed standard price quotations, at any private sale) and thereafter hold the same, absolutely, free from any right or claim of whatsoever kind.

Upon any such sale, Secured Party shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. Each purchaser at any such sale shall hold the Collateral so sold absolutely, free from any claim or right of whatsoever kind, including any equity or right of redemption of the Company. The Company, to the extent permitted by law, hereby specifically waives all rights of redemption, stay or appraisal which it has or may have under any rule of law or statute not existing or hereafter adopted.

The Secured Party shall give the Company notice in the form and to the extent required by law, of its intention to make any public or private sale or sales of the Collateral, except any Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market (in which case no notice need be given). Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as Secured Party may fix in the notice of such sale. At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels, as Secured Party may determine. Secured Party shall not be obligated to make any such sale pursuant to any such notice. Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be adjourned. In case of any sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by Secured Party until the selling price is paid by the purchaser thereof, but Secured Party shall not incur any liability in case of the failure of such purchaser to take upon and pay for the Collateral so sold and, in case of any such failure, such Collateral may again be sold upon like notice. Secured Party, instead of exercising the power of sale herein conferred upon it, (a) may proceed by a suit or suits at law or in equity to foreclose the security interest granted hereby and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction, or (b) apply (by appropriate judicial proceedings) for appointment of a receiver for the Collateral or any part thereof, and the Company hereby consents to any such appointment.

Section 8. Right of Secured Party to Use and Operate Collateral, Etc.

Upon the occurrence of an Event of Default, to the extent permitted by law, Secured Party shall have the right and power to take possession of all or any part of the Collateral (including, without limitation, to enter any premises where all or any part of the Collateral or the books and records related thereto, or both, are located), and to exclude the Company and all

persons claiming under the Company wholly or partly therefrom, and thereafter to hold, store, and/or use, operate, manage and control the same. Upon any such taking of possession, Secured Party may, from time to time, at the sole cost and expense of the Company, make all such repairs, replacements, alterations, additions and improvements to and of the Collateral as Secured Party may deem proper. In any such case, Secured Party shall have right to manage and control the Collateral and to exercise all rights and powers of the Company in respect thereto as Secured Party shall deem best, including (without limitation) the right to enter into any and all such agreements with respect to the leasing and/or operation of the Collateral or any part thereof as Secured Party may see fit, and Secured Party shall be entitled to collect and receive all rents, issues, profits, fees, revenues and other income of the same and every part thereof and shall be entitled to receive and open mail and packages addressed to the Company. Such rents, issues, profits, fees, revenues and other income shall be applied to pay the expenses of holding and operating the Collateral and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which Secured Party may be required or may elect to make, if any, for taxes, assessments, insurance and other charges upon the Collateral or any part thereof, and all other payments which Secured Party may be required or authorized to make under any provision of this Security Agreement (including, without limitation, legal costs and attorney's fees). The remainder of such rents, issues, profits, fees, revenues and other income shall be applied to the payment of the Obligations in such order of priority as Secured Party shall determine (subject to the provisions of Section 9 hereof) and, unless otherwise provided by law or by a court of competent jurisdiction, any surplus shall be paid over to the Company.

Section 9. Application of Collateral and Proceeds.

The proceeds of any sale of, or other realization upon, all or any part of the Collateral shall be applied in the following order of priority:

(a) first, to pay the expenses of such sale or other realization, including (without limitation) the payment of a reasonable commission, if any, to Secured Party and its agent and counsel, and all expenses, liabilities and advances incurred or made by Secured Party in connection therewith;

(b) second, to the payment of the other Obligations in such manner as Secured Party, in its sole discretion, shall determine; and

(c) finally, to pay to the Company, or its successors or assigns, or as a court of competent jurisdiction may direct, any surplus then remaining from such proceeds.

If the proceeds of any sale of, or other realization upon, the Collateral are insufficient to pay in full the Obligations (after any prior application of proceeds as described above in this Section 9), the Company shall remain liable for any deficiency.

Section 10. Termination of Security Interest; Release of Collateral.

Upon the payment in full of all the monetary Obligations (including, without limitation, all amounts which may be paid by Secured Party in collecting and enforcing all or any part of the Obligations), the security interests granted hereunder shall terminate, all rights to the Collateral shall revert to the Company (subject to Section 22 hereof), and all rights and obligations of the parties hereto shall terminate. Upon any such termination of such security

interest or release of Collateral, Secured Party will, to the extent permitted by law, execute and deliver to the Company such documents as the Company shall reasonably request to evidence the termination of such security interest or the release of such Collateral, as the case may be.

Section 11. Notices.

All notices, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given (i) upon receipt when delivered by hand, overnight delivery service or facsimile transmission with respect to which receipt has been confirmed, or (ii) 3 Business Days after mailing, by registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

(i) if to Secured Party, to it at:

10650 Charleston Blvd.,
Las Vegas, NV 89135

(ii) if to the Company, to:

Jetset Tours, Inc.
10650 Charleston Blvd.,
Las Vegas, NV 89135

or at such other address as may have been furnished by such party in writing to the other party.

Section 12. Severability and Governing Law.

Should any Section or any part of a Section within this Security Agreement be rendered void, invalid or unenforceable by any court of law for any reason, such provision shall be construed to be enforceable to the maximum extent possible, and such invalidity or unenforceability shall not void or render invalid or unenforceable any other Section or part of a Section in this Agreement. THIS AGREEMENT IS MADE AND ENTERED INTO IN THE STATE OF NEW YORK AND THE LAWS OF SAID STATE SHALL GOVERN THE VALIDITY AND INTERPRETATION HEREOF AND THE PERFORMANCE BY THE PARTIES HERETO OF THEIR RESPECTIVE DUTIES AND OBLIGATIONS HEREUNDER.

Section 13. Submission to Jurisdiction; Waivers.

Each party to this Agreement hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Security Agreement, the Additional Security Documents, or any of the other Loan Documents, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of

the United States of America for the Southern District of New York, and appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts, and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at its address set forth in Section 11 or at such other address as is given to the other parties hereto in accordance with Section 11; and

(iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

Each party hereto unconditionally waives trial by jury in any legal action or proceeding referred to in paragraph (a) above and any counterclaim therein.

Section 14. Counterparts.

This Security Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 15. Captions and Section Headings.

Section titles or captions contained in this Security Agreement are inserted as a matter of convenience and for reference purposes only, and in no way define, limit, extend or describe the scope of this Security Agreement or the intent of any provision hereof.

Section 16. Costs and Attorneys' Fees.

In the event that any action, suit, or other proceeding is instituted concerning or arising out of this Security Agreement, the prevailing party shall recover all of such party's costs and reasonable attorneys fees incurred in each and every such action, suit, or other proceeding, including any and all appeals or petitions therefrom.

Section 17. Successors and Assigns.

All rights, covenants and agreements of the parties contained in this Security Agreement shall, except as otherwise provided herein, be binding upon and inure to the benefit of their respective successors and assigns.

Section 18. Amendments and Waivers.

Neither this Security Agreement nor any term hereof may be changed, waived, discharged or terminated orally or in writing, except that any term of this Security Agreement may be amended and the observance of any such term may be waived (either generally or in a

particular instance and either retroactively or prospectively) with (but only with) the written consent of the party against which such amendment or waiver is claimed. Except as specifically otherwise provided herein, any delay or omission to exercise any right, power or remedy accruing to any party hereto shall not impair any such right, power or remedy of such party nor shall it be construed to be a waiver of any such right, power or remedy nor constitute any course of dealing or performance hereunder.

Section 19. Discretion.

Except as expressly provided otherwise herein, all matters within the determination or discretion of any party and the granting or withholding of any consent by any party shall be in such party's absolute discretion which shall not be subject to challenge under any circumstances.

Section 20. Survival of Representations and Warranties, Etc.

All covenants, agreements, representations and warranties contained herein shall survive the execution, delivery and performance of this Security Agreement.

Section 21. Entire Agreement.

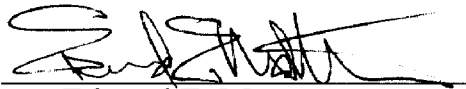
This Security Agreement and the attached Schedules (each of which is an integral part of this Security Agreement) contain the entire understanding of the parties and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof unless expressly referred to herein. None of the parties has made any representation, warranty, covenant or undertaking of any nature whatsoever, express or implied, in connection with or relating to the subject matter of this Security Agreement other than as expressly set forth herein.

Section 22. Reinstatement.

This Security Agreement shall continue to be effective, or be reinstated, as the case may be, if at any time a payment, or any part thereof, of the Obligations to Secured Party is rescinded or must otherwise be restored or returned by Secured Party upon the insolvency, bankruptcy, or reorganization of the Company, or otherwise, all as though such payment had not been made.

IN WITNESS WHEREOF, the Company and Secured Party have duly executed and delivered this Security Agreement as of the date first above written.

EALING CORP.

By: 

Name: Edward E. Mattner
Title: Vice-President

JETSET TOURS, INC.

By: 

Name: Gail Golden
Title: Chief Executive Officer

[Signature Page to Security Agreement between Jetset and Ealing]

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RECORDED: 06/04/2002

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