

07-10-2002

Form PTO-1594

(Rev. 03/01)

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

RECORDAT
TRADE



DEPARTMENT OF COMMERCE
S. Patent and Trademark Office

Tab settings

102150042

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

1. Name of conveying party(ies):
UAV Corporation

07/02/02

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

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

3. Nature of conveyance:

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

Execution date: May 8, 2002

2. Name and address of receiving party(ies):

Name: American Capital Financial Services, Inc. as "Agent"

Internal

Address:

Street Address: 2 Metro Center, Suite 1400

City: Bethesda State: MD Zip: 20814

- 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)

See Schedule I

B. Trademark Registration No.(s)

See Schedule I

Additional number(s) attached Yes No

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

Name: Eric Brotman

Internal Address: Weil, Gotshal & Manges LLP

Street Address: 767 5th Avenue

City: New York State: NY Zip: 10153

6. Total number of applications and registrations involved: 15

7. Total fee (37 CFR 3.41): \$ 390.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: 23-0800

(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.

Phyllis Eremitaggio
Name of Person Signing

Phyllis Eremitaggio
Signature

July 2, 2002
Date

07/09/2002 DBYRNE 00000114 230800 2546536

Total number of pages including cover sheet, attachments, and document: 8
Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

01 FC:481 40.00 CH
02 EC:482 350.00 CH

SCHEDULE I**U.S. Registered Trademarks**

Reg. No.	Mark	Filing Date	Issued Date
2,546,536	REDNECK CARPORT	Sept. 11, 2000	March 12, 2002
2,476,369	STERLING	Jan. 11, 2000	Aug. 17, 2001
2,209,657	SLEIGH BELLS	March 6, 1997	Dec. 8, 1998
2,034,972	STERLING ENTERTAINMENT GROUP	July 5, 1995	Feb. 4, 1997
2,120,249	STERLING CLASSICS	July 5, 1995	Dec. 9, 1997
2,044,908	NATURE SONGS	July 5, 1995	March 11, 1997
1,998,640	UAV	July 11, 1994	Sept. 3, 1996
1,931,570	MISTLETOE MUSIC	Nov. 21, 1994	Oct. 31, 1995
1,721,642	STERLING ENTERTAINMENT GROUP	Jan. 6, 1992	Oct. 6, 1992
1,593,460	MIRROR IMAGE VIDEO DUPLICATION	Aug. 15, 1989	April 24, 1990

Pending U.S. Trademark Applications

Serial No.	Mark	Filing Date
76/272,719	ENTERMAGIC	June 18, 2001
76/181,568	KARAOKEBAY	Sept. 11, 2000
75/753,437	KHI BAE	July 9, 1999
75/824,268	KIDNU	Oct. 15, 1999
75/823,995	KID' N' YOU	Oct. 15, 1999

TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, dated as of May 9, 2002, by UAV Corporation, a South Carolina corporation (the "*Grantor*"), in favor of American Capital Financial Services, Inc. ("*ACFS*"), as agent for the Purchasers (as defined in the Purchase Agreement referred to below) (in such capacity, the "*Agent*").

WITNESSETH:

WHEREAS, pursuant to the Note Purchase Agreement, dated as of May __, 2002 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "*Purchase Agreement*") among the Grantor, UAV Holdings, Inc., a Delaware corporation, the Purchasers party thereto and ACFS, as agent for the Purchasers, the Purchasers have severally agreed to purchase certain Notes upon the terms and subject to the conditions set forth therein; and

WHEREAS, the Grantor is party to a Security Agreement of even date herewith in favor of the Agent (the "*Security Agreement*") and the Grantor is required to execute and deliver this Trademark Security Agreement pursuant to the Security Agreement and the Purchase Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Purchasers and the Agent to enter into the Purchase Agreement and to induce the Purchasers to purchase the Notes thereunder, each Grantor hereby agrees with the Agent as follows:

SECTION 1. **Defined Terms.** Unless otherwise defined herein, terms defined in the Purchase Agreement or in the Security Agreement and used herein have the meaning given to them in the Purchase Agreement or the Security Agreement.

SECTION 2. **Grant of Security Interest in Trademark Collateral.** The Grantor, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Obligations of the Grantor, hereby collaterally assigns, conveys, mortgages, pledges, hypothecates and transfers to the Agent for the benefit of the Purchasers, and grants to the Agent for the benefit of the Purchasers a lien on and security interest in, all of its right, title and interest in, to and under the following Collateral of Grantor (the "*Trademark Collateral*"):

- (a) all of its Trademarks and Trademark Licenses to which it is a party, including those referred to on *Schedule I* hereto;
- (b) all reissues, continuations or extensions of the foregoing;
- (c) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark License; and
- (d) all proceeds of the foregoing, including any claim by the Grantor against third parties for past, present, future (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License.

As used herein, the following terms shall have the following meanings:

“Trademark” means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all 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, and all common-law rights related thereto, and (b) the right to obtain all renewals thereof.

“Trademark License” means any agreement, whether written or oral, providing for the grant by or to the Grantor of any right to use any Trademark.

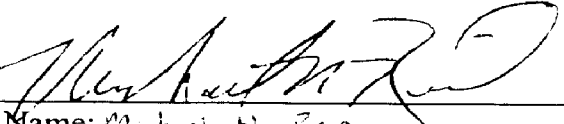
SECTION 3. **Security Agreement**. The security interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interest granted to the Agent pursuant to the Security Agreement and the Grantor hereby acknowledges and affirms that the rights and remedies of the Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

[signature page follows]

IN WITNESS WHEREOF, the Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

Very truly yours,

UAV CORPORATION,

By: 
Name: Michael H. Reid
Title: Chief Financial Officer, Treasurer
and Assistant Secretary

Accepted and Agreed:

AMERICAN CAPITAL FINANCIAL SERVICES, INC.,
as Agent

By: _____
Kenneth E. Jones
Vice President

IN WITNESS WHEREOF, the Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

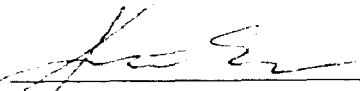
Very truly yours,

UAV CORPORATION,

By: _____
Name:
Title:

Accepted and Agreed:

AMERICAN CAPITAL FINANCIAL SERVICES, INC.,
as Agent

By:  _____
Kenneth E. Jones
Vice President

ACKNOWLEDGEMENT OF GRANTOR

STATE OF OHIO)
COUNTY OF COLUMBIA) ss.

On this 7th day of May 2003 before me personally appeared Michael N. Reil proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of USA Corporation who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

Martha J. Peach
Notary Public

MARTHA J. PEACH
Notary Public, State of Ohio
My Commission Expires 1-27-04

WEIL, GOTSHAL & MANGES LLP

767 FIFTH AVENUE · NEW YORK, NY 10153-0119

(212) 310-8000

FAX: (212) 310-8007

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WRITER'S DIRECT LINE

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner of Patents & Trademarks
Washington, D.C. 20231

BOX: ASSIGNMENTS

TRADEMARK ASSIGNMENT

The enclosed Trademark Security Agreement conveying interest of the referenced trademarks from UAV Corporation to American Capital Financial Services, Inc., as Agent, dated May 8, 2002 is submitted for recordation.

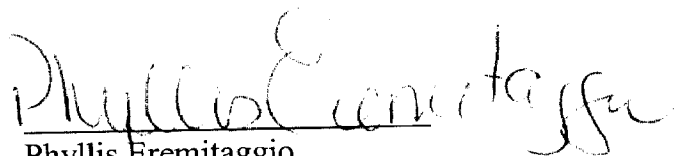
It is requested that the enclosed self-addressed and stamped post card be marked "Received" and returned to the undersigned.

Please charge the total fee of \$390.00 for fifteen (15) properties and any additional fees to **Deposit Account No. 23-0800(Attorney Docket No. 14082.0009)**.

Respectfully submitted,
WEIL, GOTSHAL & MANGES LLP

Date: July 2, 2002

By:


Phyllis Eremitaggio
Trademark Specialist

NY1A1116752\01\NX_W011.DOC\14082.0009

RECORDED: 07/02/2002

**TRADEMARK
REEL: 002541 FRAME: 0284**