

11/13/02

11-25-2002

Form PTO-1594  
(Rev. 10/02)  
OMB No. 0651-0027 (exp. 6/30/2005)  
Tab settings ⇌ ⇌ ⇌ ▼

REC  
T  
▼



102292721

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):

DOUGLAS-MICHAELS COMPANY, L.P.

- 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 \_\_\_\_\_
- Merger
- Change of Name

Execution Date: 7/26/02

2. Name and address of receiving party(ies)

Name: ALLFIRST BANK

Internal

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

Street Address: 6303 Ivy Lane, Suite 200

City: Greenbelt State: MD Zip: 20770

- Individual(s) citizenship \_\_\_\_\_
- Association a national banking association
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation-State \_\_\_\_\_
- 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) 78105874  
76127602 76127603

B. Trademark Registration No.(s) 1625208  
1785838 1625207 1622875 1622258

Additional number(s) attached  Yes  No

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

Name: Joseph Tyssowski, Jr., Esquire

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

Street Address: Gebhardt & Smith LLP

World Trade Center, 9th Floor

City: Balto State: MD Zip: 21202

6. Total number of applications and registrations involved: 8

7. Total fee (37 CFR 3.41).....\$ 215.00

- Enclosed
- Authorized to be charged to deposit account

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

OFFICE OF PUBLIC RECORDS  
NOV 13 AM 10:32  
FINANCE SECTION

DO NOT USE THIS SPACE

9. Signature.

Joseph R. S. Tyssowski, Jr.  
Name of Person Signing

Signature

November 7, 2002

Date

Total number of pages including cover sheet, attachments, and document: 9

11/22/2002 LNUELLER 00000248 78105874

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

01 FC:8521  
02 FC:8522

40.00 OP  
175.00 OP

TRADEMARK  
REEL: 002621 FRAME: 0117

## TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("AGREEMENT") is dated as of July 26, 2002 by and between DOUGLAS-MICHAELS COMPANY, L.P., a Delaware limited partnership ("PLEDGOR"), with its mailing address at 6564 Loisdale Court, Suite 500, Springfield, Virginia 22150; and ALLFIRST BANK ("LENDER"), with its mailing address at 6303 Ivy Lane, Suite 200, Greenbelt, Maryland 20770.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and adequacy of which are hereby acknowledged, the PLEDGOR agrees with the LENDER as follows:

Section 1. Defined Terms. As used in this AGREEMENT, the terms set forth in this Section 1 have the meanings set forth below, unless the specific context of this AGREEMENT clearly requires a different meaning. Terms defined in this Section 1 or elsewhere in this AGREEMENT are in all capital letters throughout this AGREEMENT. The singular use of any defined term includes the plural and the plural use includes the singular.

a. "EVENT OF DEFAULT" shall have the meaning given to that term in the LOAN AGREEMENT.

b. "LOAN AGREEMENT" means the Loan and Security Agreement dated July 19, 2002 between the PLEDGOR, Douglas-Michaels Servicing Company, L.P. and the LENDER.

c. "LOAN DOCUMENTS" means all agreements, instruments and documents, including without limitation, loan agreements, notes, guaranties, pledges, security agreements, assignments, and all other written matter, whether heretofore, now, or hereafter executed by or on behalf of the PLEDGOR to or for the benefit of the LENDER, or by any obligor for obligations guaranteed by the PLEDGOR to the LENDER. Without limitation to the foregoing, the term "LOAN DOCUMENTS" includes the LOAN AGREEMENT.

d. "OBLIGATIONS" means all duties of payment or performance now or hereafter due and owing to the LENDER by the PLEDGOR as a result of or in connection with any and all existing or future indebtedness, liability, or obligation of every kind and nature arising out of or related to any credit accommodation, loan, letter of credit, guaranty, depository relationship, event, or occurrence, whether direct or indirect, absolute or contingent, primary or secondary, joint or several, unconditional or conditional, and all renewals, refinancings, extensions, substitutions, amendments, and modifications thereof, no matter when or how created, arising, evidenced, or acquired, whether or not presently contemplated or anticipated, including but not limited to, all amounts of principal, interest, penalties, reimbursements, advancements, escrows, and fees.

e. "TRADEMARKS" means all right, title and interest of the PLEDGOR, whether now owned or existing or hereafter acquired or arising, in, to, under and by virtue of all trademarks, trade names, corporate names, partnership names, company names, business names, fictitious business names, trade styles, service marks, package or product designs, trade dress, logos, other source of business identifiers, and prints and labels on which any of the foregoing have appeared or appear, now existing or hereafter adopted or acquired, and all registrations and recordings thereof, and all applications for any of the foregoing, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office, together with: (a) all renewals thereof, (b) all intellectual property of the PLEDGOR and goodwill of the business to which any of the foregoing relates, (c) all present and future rights of the PLEDGOR under all present and future license agreements relating to any of the foregoing, whether the PLEDGOR is licensee or licensor thereunder, (d) all income, royalties, damages and payments now or hereafter due or payable under any of the foregoing or with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, (e) all present and future claims, causes of action and rights to sue for past, present or future infringements thereof, (f) all general intangibles, goodwill, proceeds and products related thereto, and (g) all rights corresponding thereto throughout the world. "TRADEMARKS," as defined above shall include, without limitation, all of the United States trademarks and trademark applications listed on Exhibit A attached hereto and incorporated herein by reference.

Section 2. Grant Of Security Interest. As security for the complete and timely payment, performance and satisfaction of all of the OBLIGATIONS, the PLEDGOR hereby mortgages, pledges, and hypothecates unto the LENDER and the LENDER'S successors and assigns, upon the following terms and conditions, and hereby grants to the LENDER and the LENDER'S successors and assigns, a security interest in and to all of the PLEDGOR'S right, title and interest in, under or by virtue of the TRADEMARKS, whether now owned or existing or hereafter acquired, and in the products and proceeds thereof. The security interests granted by the PLEDGOR to the LENDER hereunder shall automatically attached to and include all rights to any TRADEMARKS which are subsequently obtained by the PLEDGOR after the date of this AGREEMENT or to any licenses thereof. The PLEDGOR hereby irrevocably and unconditionally authorizes the LENDER to modify and amend from time to time this AGREEMENT and Exhibit A hereto to include any such additional TRADEMARKS or licenses, without any further assent or signature of the PLEDGOR. Future advances are intended to be secured.

Section 3. Representations And Warranties. The PLEDGOR represents and warrants that:

a. Exhibit A attached hereto sets forth all TRADEMARKS owned by the PLEDGOR as of the date hereof. Each of the TRADEMARKS described on Exhibit A is subsisting, valid, unexpired and enforceable. None of such TRADEMARKS has been adjudged invalid, expired or unenforceable in whole or in part, or is the subject of any proceeding which seeks any of the foregoing. None of such TRADEMARKS has been abandoned.

b. No claim has been made or threatened to the PLEDGOR that the use of any of the TRADEMARKS infringes upon or violates the rights of any third person.

c. The PLEDGOR is the sole and exclusive owner of the entire unencumbered right, title and interest in and to each of the TRADEMARKS, free and clear of any liens, charges and encumbrances, including without limitation pledges, security interests, assignments, licenses, franchise agreements, registered user agreements and covenants by the PLEDGOR not to sue third persons.

d. The PLEDGOR has the unqualified right to enter into this AGREEMENT and to perform its terms.

Section 4. Maintenance Of Trademarks. The PLEDGOR covenants that it will maintain the registration of the TRADEMARKS, and take all actions necessary to maintain, preserve and continue the validity and enforceability of the TRADEMARKS, including but not limited to the filing of applications for renewal, affidavits of use, affidavits of incontestability and institution and maintenance of opposition, concurrent use, interference and cancellation proceedings, and the payment of any and all application, renewal, extension or other fees. The PLEDGOR agrees that it will not sell, assign, transfer, convey or encumber its interest in, or grant any license under, any of the TRADEMARKS; provided, however, that so long as no EVENT OF DEFAULT shall have occurred and be continuing or would arise after giving effect thereto, PLEDGOR may permit to lapse or expire those trademarks or applications therefor, which but for this AGREEMENT, PLEDGOR would in its reasonable and ordinary business judgment permit to lapse or expire. Provided that no EVENT OF DEFAULT shall have occurred and be continuing or would arise after giving effect thereto, PLEDGOR may abandon any right to file a trademark application in the United States which but for this AGREEMENT, PLEDGOR would in its reasonable and ordinary business judgment choose to abandon. The PLEDGOR further agrees not to enter into any agreement (for example, a license agreement) which is inconsistent with the PLEDGOR'S obligations under any of the LOAN DOCUMENTS. The PLEDGOR agrees that it will not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would adversely affect the validity or enforcement of the rights transferred to the LENDER under this AGREEMENT. The PLEDGOR covenants to use and require the use of consistent standards of quality in the manufacture of products sold and services rendered under the TRADEMARKS. The PLEDGOR further agrees to promptly provide notice to the LENDER of all rights obtained subsequent to the date of this AGREEMENT in and to any TRADEMARKS not set forth on Exhibit A.

Section 5. Rights Upon The Occurrence Of An Event Of Default. Upon the occurrence of an EVENT OF DEFAULT, in addition to all other rights and remedies available under the LOAN DOCUMENTS or under applicable law, including but not limited to the rights of a secured party under the Uniform Commercial Code in effect from time to time in Maryland, the LENDER shall have the right at any time (but shall have no obligation) to: (a) take exclusive possession and/or place a custodian in exclusive possession of any or all of the TRADEMARKS from time and to time; (b) take, in its name or in the name of the PLEDGOR or otherwise, such actions as the LENDER may, at any time or from time to time,

deem necessary to maintain, protect, sell, liquidate, transfer, license, assign or otherwise dispose of or realize upon the TRADEMARKS, upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk; (c) use, operate, manage, and control the TRADEMARKS in any lawful manner; and (d) collect and receive all income, revenue, earnings, issues, and profits therefrom. Notice of any sale or other disposition shall be given to the PLEDGOR at least ten (10) days before the time of any intended public sale or of the time after which any intended private sale or other disposition of the COLLATERAL is to be made, which the PLEDGOR hereby agrees shall be commercially reasonable notice of such sale or other disposition. All of the LENDER'S rights and remedies with respect to the TRADEMARKS, whether established by this AGREEMENT, by any LOAN DOCUMENT, or by law shall be cumulative and may be exercised singularly or concurrently.

Section 6. No Duty Imposed Upon Lender. The powers conferred upon the LENDER hereunder are solely to protect the interests of the LENDER in the TRADEMARKS and shall not impose any duty upon the LENDER to exercise any such powers.

Section 7. Patent And Trademark Office And Third Parties May Rely Upon Pledgor's Authorizations To Lender. If the LENDER shall elect to exercise any of its rights hereunder, the United States Patent and Trademark Office and all other persons and entities shall have the right to rely upon the LENDER'S written statement of the LENDER'S right to sell, assign, license and transfer the TRADEMARKS and the PLEDGOR hereby irrevocably and unconditionally authorizes the United States Patent and Trademark Office and all other persons and entities to recognize such sale by the LENDER either in the PLEDGOR'S name or in the LENDER'S name without the necessity or obligation of the United States Patent and Trademark Office or any other persons and entities to ascertain the existence of any default by the PLEDGOR under the LOAN DOCUMENTS, or any other fact or matter relating to the entitlement of the LENDER to exercise its rights hereunder.

Section 8. Costs And Expenses. All fees, costs and expenses, including any attorney's fees and legal expenses, incurred by the LENDER in connection with the preparation of this AGREEMENT and all other documents relating hereto, the filing or recording of this AGREEMENT or any other documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or any other fees incurred in otherwise protecting, maintaining or preserving the TRADEMARKS, or in enforcing the terms of this AGREEMENT or in defending or prosecuting any actions or proceedings arising out of or related to the TRADEMARKS, shall be borne and paid by the PLEDGOR on demand by the LENDER and until so paid shall be added to the principal amount of the OBLIGATIONS and shall bear interest at the highest rate in effect from time to time under the LOAN DOCUMENTS.

Section 9. Notices. Notices that are required or permitted to be delivered hereunder shall be sufficient if in writing and sent to the addresses stated above in this AGREEMENT.

Section 10. Further Assurances. The PLEDGOR shall promptly do, make, execute and deliver all such further and additional acts, things, deeds, assurances, instruments and documents considered reasonably necessary, appropriate or proper by the LENDER to vest in, effectuate assure to the LENDER its rights under this AGREEMENT or in any of the TRADEMARKS. The PLEDGOR hereby constitutes the LENDER its attorney-in-fact to execute and file all such additional instruments and documents for the foregoing purposes, including such filings with the United States Patent And Trademark Office or in any other office or place of public filings as the LENDER deems to be necessary and appropriate, all lawful acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable until the OBLIGATIONS have been satisfied in full and there exists no contingent or noncontingent commitment which could give rise to any OBLIGATIONS.

Section 11. Amendment. The terms and conditions of this AGREEMENT may be modified, altered, waived, or amended only by a writing executed by the LENDER consenting to the modification, alteration, waiver, or amendment.

Section 12. Choice Of Law. This AGREEMENT shall be construed according to the laws of the State of Maryland. All parties hereto consent to the jurisdiction and venue of the courts of the State of Maryland in any action to enforce, construe or interpret this AGREEMENT.

Section 13. Severability. If any of the provisions of this AGREEMENT are judicially determined to be in conflict with any law of the State of Maryland or otherwise judicially determined to be unenforceable for any reason whatsoever, such provision shall be deemed null and void to the extent of such unenforceability but shall be deemed separable from and shall not invalidate any other provision of this AGREEMENT.

Section 14. Successors And Assigns. The terms, covenants and conditions contained in this AGREEMENT shall inure to the benefit of the LENDER and its successors and assigns, and shall be binding upon the PLEDGOR and its successors and assigns.

Section 15. Waiver Of Jury Trial. The PLEDGOR and the LENDER each agree that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by either party hereto or any successor or assign of either party hereto, with respect to this AGREEMENT, the LOAN DOCUMENTS, or any other document or agreement which in any way relates, directly or indirectly, to this AGREEMENT, the LOAN DOCUMENTS, the OBLIGATIONS or any event, transaction or occurrence arising out of or in any way connected with this AGREEMENT, the LOAN DOCUMENTS, any of the OBLIGATIONS, or the dealings of the parties with respect thereto, shall be tried only by a court, and not by a jury. **THE PLEDGOR AND THE LENDER HEREBY EXPRESSLY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING.**

IN WITNESS WHEREOF, the parties have executed this AGREEMENT as of the date first above written with the specific intention of creating an instrument under seal.

WITNESS/ATTEST:

PLEDGOR:

DOUGLAS-MICHAELS COMPANY, L.P.

By: Douglas-Michaels Corporation,  
Its General Partner

*Allen Arnold*

By: *Mark Kolak* (SEAL)  
Name: MARK KOLAK  
Title: V.P.

WITNESS/ATTEST:

LENDER:

ALLFIRST BANK

*Giuseppe Mastrotot*

By: *Alfred S. DeSalvo* (SEAL)  
Name: Alfred S. DeSalvo  
Title: A.V.P.

**ACKNOWLEDGMENTS**

STATE OF CT, CITY/COUNTY OF Fairfield, TO WIT:

I HEREBY CERTIFY that on this 26<sup>th</sup> day of July, 2002, before me, the undersigned Notary Public of the aforesaid State, personally appeared MARK KOZAK and acknowledged himself to be the V.P., of Douglas-Michaels Corporation, the general partner of DOUGLAS-MICHAELS COMPANY, L.P., and that he, as such V.P. of the general partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of DOUGLAS-MICHAELS COMPANY, L.P. by Douglas-Michaels Corporation, general partner, by himself as V.P..

IN WITNESS MY Hand and Notarial Seal.

Allison Archambault (SEAL)  
NOTARY PUBLIC

My Commission Expires:

**ALLISON ARCHAMBAULT**  
**NOTARY PUBLIC**  
MY COMMISSION EXPIRES NOV. 30, 2003

STATE OF Maryland, CITY/COUNTY OF Anne Arundel, TO WIT:

I HEREBY CERTIFY that on this 24<sup>th</sup> day of Sept, 2002, before me, the undersigned Notary Public of the aforesaid State, personally appeared Alfred DeSubato and acknowledged himself to be the A.V.P., of ALLFIRST BANK, and that he, as such A.V.P., being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of ALLFIRST BANK by himself as A.V.P..

IN WITNESS MY Hand and Notarial Seal.

Alfred DeSubato (SEAL)  
NOTARY PUBLIC

My Commission Expires:

10-1-05