

RECORDATION FOR TRADEMARKS ONLY

07-03-2003

NT OF COMMERCE



102488296

7-303

To the Honorable Assistant Secretary and Commissioner of Patents and Trademarks: please record the attached original document(s) or copy(ies) thereof.

1. Name of conveying party(ies): MASTHEAD INDUSTRIES, INC.
Individual(s) Association
General Partnership Limited Partnership
Corporation-State Florida
Other-
Additional name(s) of conveying party(ies) attached?
Yes or No

2. Name and address of receiving party(ies):
Name: BUSINESS ALLIANCE CAPITAL CORP.
Internal Address:
Street Address: 214 Carnegie Center, Suite 302
City: Princeton State: NJ ZIP: 08540
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 or No?
(Designations must be a separate document from Assignment)
Additional name(s) & address(es) attached? Yes or No?

3. Nature of conveyance:
Assignment Merger
Security Agreement Change of Name
Other
Execution Date: June 30, 2003

4. Application number(s) or registration number(s):
A. Trademark Application No.(s):
Additional numbers attached? Yes or No?

B. Trademark Registration No.(s): 2,052,408

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Gary M. Krasna, Esq.
Internal Address: Suite 210
Street Address: 3010 N. Military Trail
City: Boca Raton State: FL ZIP: 33431

6. Total number of applications and registrations involved: One (1)
7. Total fee (37 C.F.R. § 3.41). \$40.00
Enclosed
Authorized any deficiency to be charged to deposit account
8. Deposit account number:
(Attach duplicate copy of this page if paying by deposit account)

07/07/2003 DBYRNE 00000001 2052408
01 FC:8521 DO NOT USE THIS SPACE 40.00 DP

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.
Gary M. Krasna
Name of Person Signing Signature Date July 2, 2003
Total number of pages including cover sheet: 7

OMB No. 0651-0011 (exp. 4/94)
Do not detach this portion
Mail documents to be recorded with required cover sheet information:
Commissioner and Assistant Secretary of Patents and Trademarks
Box Assignments
Washington, D.C. 20231
Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the date needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

COLLATERAL ASSIGNMENT
(Security Agreement)

WHEREAS, MASTHEAD INDUSTRIES, INC., a Florida corporation, located and doing business at 340 Corporate Way, Suite 300, Orange Park, Florida 32073, is the owner of the patents (the "Patents"), trademarks, trade dress, servicemarks and trade names (the "Trademarks"), and as are listed in Exhibit A hereto, some of which are registered in the United States Patent and Trademark Office.

WHEREAS, Business Alliance Capital Corp., a Delaware corporation ("Assignee"), located and doing business at 214 Carnegie Center, Suite 302, Princeton, New Jersey 08540, has extended and may hereafter extend credit to Assignor, and Assignor has executed and delivered to Assignee a promissory note dated June 30, 2003 (the "Note") evidencing the present and future advances of credit by Assignee to Assignor and Assignor may in the future execute and deliver to Assignee other notes evidencing the advances of credit by Assignee to Assignor; and

WHEREAS, Assignor has executed and delivered to Assignee a Loan and Security Agreement dated June 30, 2003 (as amended or modified from time to time the "Loan Agreement") pursuant to which it grants to Assignee a security interest in substantially all assets of Assignor to secure all of Assignor's Obligations (as defined in the Loan Agreement) to Assignee and Assignor may hereafter execute and deliver to Assignee other similar security agreements; and

WHEREAS, in order to further secure Assignor's present and future Obligations (as defined in the Loan Agreement) to the Assignee, Assignor wishes to grant to Assignee a security interest in the Collateral and the goodwill and certain other assets with respect to the Collateral, as further set forth herein.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Assignor as additional security for the full payment and performance of the Obligations, and to further evidence the security interest granted to the Assignee pursuant to the Loan Agreement, hereby assigns, sells, transfers, and conveys to Assignee and grants to Assignee a security interest in all of Assignor's right, title and interest in:

- (a) the Patents and Trademarks;
- (b) all right of action, claims for damages, profits and costs, all other demands for any sum or sums of money whatsoever which it has or may have either at law or in equity, against any and all persons, firms, corporations and associations by reason of claims of infringement upon said Patents and Trademarks.
- (c) all existing and future patents, registrations and applications for the protection of inventions and designs hereafter acquired by, granted to, or filed by Assignor which are based upon, derived from or are variations of any invention or designs disclosed in the Patents (the "Future Patents");

(d) all extensions, renewals, and continuations, reissues, divisions, and continuations-in-part of the Patents and Future Patents;

(e) all proceeds, including without limitation, license royalties and proceeds of infringement suits, based on the Trademarks, Patents and Future Patents;

(f) all licenses and other agreements relating to the Trademarks, Patents and Future Patents and the use thereof;

(g) all Trademarks, Trademark registrations, Trademark registration applications, formulae, processes, compounds, methods, know-how, and trade secrets relating to the manufacture of Assignor's and under products under, utilizing, or in connection with the Patents and Future Patents; and

(h) all goodwill of Assignor's business connected with, symbolized by or in any way related to the items set forth in clauses (a) through (g) above.

All of the foregoing items set forth in clauses (a) through (h) are hereinafter referred to collectively as the "Collateral."

AND Assignor and Assignee agree as follows:

1. Assignor's Obligations. Assignor agrees that, notwithstanding this Assignment, it will perform and discharge and remain liable for all its covenants, duties, and obligations arising in connection with the Collateral and any licenses and agreements related thereto. Assignee shall have no obligation or liability in connection with the Collateral or any licenses or agreements relating thereto by reason of this Assignment or any payment received by Assignee relating to Collateral, nor shall Assignee be required to perform any covenant, duty, or obligation or Assignor arising in connection with the Collateral or any license or agreement related thereto or to take any other action regarding the Collateral or any such licenses or agreement.

Assignor shall have the obligation to maintain, preserve or renew the Patents and Trademarks, and take any action to prohibit the infringements or unauthorized use of same by any third party. Assignee shall have no obligation to maintain, preserve or renew the Patents and Trademarks, nor to take any action to prohibit the infringements or unauthorized use of same by any third party.

2. Use Prior to Default. Unless and until an Event of Default under, and as defined in or under the Loan Agreement, or under any future note in favor of Assignee, shall occur and be continuing, Assignor shall retain the legal and equitable title to the Patents and Trademarks and shall have the right to use the Collateral and make, and use the inventions disclosed and claimed in the Patents in the ordinary course of its business, subject to the terms and covenants of the Loan Agreement, and this Assignment.

3. Remedies Upon Default. Whenever any Event of Default, under, and defined in, the Loan Agreement or under any future note evidencing the Obligations, shall occur, Assignor's rights pursuant to Section 2 hereof shall terminate and be null and void, and Assignee shall have

all the rights and remedies granted to it in such event by the Loan Agreement or security agreements, which rights and remedies are specifically incorporated herein by reference and made a part hereof. Assignee in such event may collect directly any payments due to Assignor in respect of the Collateral and may sell, license, lease, assign, or otherwise dispose of the Collateral in the manner set forth in the Loan Agreement or in any security agreement by Assignor in favor of Assignee. Assignor agrees that, in the event of any disposition of the Collateral upon any such Event of Default, it will duly execute, acknowledge, and deliver all documents necessary or advisable to record title to the Collateral in any transferee or transferees thereof, including, without limitation, valid, recordable assignments of the Patents and Trademarks and Tradenames. In the event Assignor fails or refuses to execute and deliver such documents, Assignor hereby irrevocably appoints Assignee as its attorney-in-fact, with power of substitution, to execute, deliver, and record any such documents on Assignor's behalf. For the purpose of enabling Assignee to exercise rights and remedies upon any such Event of Default, Assignee hereby grants to Assignee an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to Assignor) to use, assign, license, or sub-license any of the Collateral, now owned or hereafter acquired by Assignor, and wherever the same may be located.

4. Cumulative Remedies. The rights and remedies provide herein are cumulative and not exclusive of any other rights or remedies provided by law. The rights and remedies provided herein are intended to be in addition to and not in substitution of the rights and remedies provided by the Loan Agreement or any other agreement or instrument delivered in connection therewith.

5. Amendments and Waivers. This Assignment may not be modified, supplemented or amended, or any of its provisions waived at the request of Assignor, without the prior written consent of Assignee.

6. Reassignment. At such time as Assignor shall completely satisfy all of the Obligations, Assignee will, at Assignor's request, execute and deliver to Assignor all deeds, assignments and other instruments as may be necessary or proper to re-vest Assignor full title to the Collateral, subject to disposition thereof which may have been made by Assignee pursuant hereto.

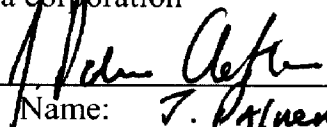
7. Severability. If any clause or provision of this Assignment shall be held invalid or unenforceable, in whole or in part, in any jurisdiction, such invalidity or unenforceability shall attach only to such clause or provision, or part thereof, and shall not in any manner affect any other clause or provision in any jurisdiction.

8. Notices. All notices, requests and demands to or upon Assignor or Assignee under this assignment shall be given in the manner prescribed in the Loan Agreement.

9. Governing Law. This Assignment shall be governed by, construed, applied and enforced in accordance with the substantive laws of the State of New Jersey and the United States of America as applicable..

IN WITNESS WHEREOF, the parties have entered into this Collateral Assignment on this day of June, 2003.

MASTHEAD INDUSTRIES, INC., a Florida corporation

By: 
Name: T. Daluen Cloutier
Title: President

ATTEST:


Name:
Title:

Business Alliance Capital Corp.


By: 
Name:
Title:

Exhibit A

Mark

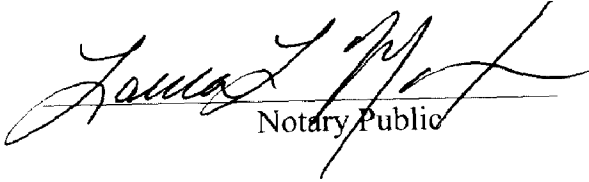
Reg.Ser. #

THE HOSE BOSS

2,052,408

STATE OF VIRGINIA)
city) SS:
COUNTY OF Norfolk)

The foregoing instrument was acknowledged before me this 27 day of June, 2003, by J. Palmer Clarkson, as President of **MASTHEAD INDUSTRIES, INC.**, a Florida corporation, on behalf of the corporation.


Notary Public

My Commission Expires: 09-30-06