

10-17-2003



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

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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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Tab settings

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

1. Name of conveying party(ies): Beetle, Inc.
Individual(s) Association
General Partnership Limited Partnership
Corporation-State
Other
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: Compass Bank for Savings
Internal
Address: Attn: Andrew K. Springer
Street Address: One Compass Place
City: New Bedford State: MA Zip: 02740
Individual(s) citizenship
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

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

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
B. Trademark Registration No.(s)
2,710,373
1,826,285
Additional number(s) attached Yes No

6. Total number of applications and registrations involved:
7. Total fee (37 CFR 3.41): \$ 65.00
Enclosed
Authorized to be charged to deposit account
8. Deposit account number:
(Attach duplicate copy of this page if paying by deposit account)

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Halloran, Lukoff & Smith, P.C.
Internal Address: Attn.: Lisa D. Wright, Esq.
Street Address: 432 County Street
City: New Bedford State: MA Zip: 02740

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.
Lisa D. Wright Signature Date: October 3, 2003

10/16/2003 ECGOPER 00000188 2710373

01 FC:8521
02 FC:8522

40.00 OP
25.00 OP

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

TRADEMARK
REEL: 002845 FRAME: 0938

# SECURITY AGREEMENT

October 3, 2003

In order to secure the due and punctual payment of all of the Obligations (as herein defined), Beetle, Inc., a Massachusetts corporation ("Debtor"), with its chief executive office at 313 Smith Neck Road, South Dartmouth, Massachusetts 02748, hereby grants to COMPASS BANK FOR SAVINGS, a stock savings bank organized and existing under the laws of the Commonwealth of Massachusetts ("Secured Party"), having an office at One Compass Place, New Bedford, Massachusetts 02740, a continuing security interest in the following item(s) of collateral:

**ACCOUNTS RECEIVABLE, OTHER RIGHTS TO PAYMENT AND GENERAL INTANGIBLES:** All of Debtor's now owned and hereafter acquired accounts, instruments, chattel paper, letter-of-credit rights and general intangibles (including payment intangibles as well as other general intangibles, such as patents, copyrights, trademarks and trade names, including, but not limited to, Trademark Registration No. 2,710,373 registered April 29, 2003 and Trademark Registration No. 1,826,285 registered March 15, 1994, as assigned to Debtor.

**INVENTORY:** All of Debtor's now owned and hereafter acquired inventory and documents.

**EQUIPMENT:** All of Debtor's now owned and hereafter acquired equipment and fixtures, including, without, limitation, the equipment listed on Exhibit A attached hereto, if any, together with all additions and accessions to, and all warranties and service agreements relating to, all of the foregoing.

The foregoing security interest(s) is hereby granted together with a continuing security interest in the following additional items of collateral:

- (a) All of Debtor's money and other property of Debtor from time to time in the possession of Secured Party.
- (b) All of Debtor's deposit accounts and investment property.
- (c) All commercial tort claims described on Exhibit B attached hereto, if any.
- (d) All replacements and substitutions for, and all proceeds (including insurance proceeds) and products of, any or all of the foregoing.
- (e) All of Debtor's books and records relating to any or all of the foregoing.

All of the foregoing items of collateral are hereinafter collectively referred to as the "Collateral".

"Obligations" shall mean all indebtedness and liabilities whatsoever of Debtor to Secured Party, whether direct, indirect, absolute or contingent, due or to become due, now existing or hereafter arising, including without limitation, all indebtedness and obligations evidenced by promissory notes, guarantees, overdrafts, reimbursement agreements for letters of credit and reimbursement obligations to correspondent or affiliate banks for the issuance of letters of credit on behalf of the Debtor, and any collection expenses.

**Section 1. Representations, Warranties And Covenants Of Debtor.** Debtor hereby represents, warrants and covenants as follows:

- (a) Without the prior written consent of Secured Party, Debtor will not change its type of

organization, jurisdiction of organization, or other legal structure, legal name, place of business or, if Debtor has more than one place of business, chief executive office, the location of its books and records relating to the Collateral, the location of the Collateral, or organizational identification number, if it has one. If Debtor does not have an organizational identification number and later obtains one, Debtor shall forthwith notify Secured Party of the organizational identification number. Unless otherwise specified in Exhibit C attached hereto, if any, the Debtor's chief executive office set forth above is the Debtor's mailing address, the location where Debtor maintains its books and records and the location of the Collateral.

(b) The Collateral is and will continue to be used primarily for business purposes.

(c) Debtor is or, to the extent that certain of the Collateral is to be acquired after the date hereof, will be, the owner of the Collateral free from any adverse lien, security interest or encumbrance, except for any Permitted Liens, and Debtor will defend the Collateral against all claims and demands of all persons at any time claiming any interest therein. No financing statement covering any Collateral is on file in any filing office of any State, other than the financing statements filed pursuant to this Security Agreement and any Permitted Liens. As used herein, "Permitted Liens" means, singly and collectively, liens on the Debtor's personal property with respect to which a financing statement is on file with a filing office of any State, which is disclosed in a UCC lien search delivered to Secured Party prior to the date hereof and which Secured Party does not require to be terminated.

(d) Debtor will take such steps as Secured Party may request for Secured Party to obtain (i) possession of documents, instruments, tangible chattel paper, and certificated securities, (ii) acknowledgement, in form and substance satisfactory to Secured Party, of any third party having possession of any of the Collateral that the third party holds the Collateral for Secured Party, (iii) control of investment property, deposit accounts, letter-of-credit rights and electronic chattel paper, with any agreements establishing control to be in form and substance satisfactory to Secured Party, and (iv) the notation of Secured Party's name on any document. Debtor will take such additional steps as Secured Party may request for Secured Party to otherwise ensure the attachment, perfection and priority of Secured Party's security interest in any of the Collateral, Secured Party's ability to enforce its security interest, and the preservation of Secured Party's rights in the Collateral. If Debtor shall at any time hold or acquire a commercial tort claim, Debtor shall immediately execute and deliver to Secured Party an amendment to this Agreement, in form and substance satisfactory to Secured Party, containing a description of the commercial tort claim sufficient for the attachment of Secured Party's security interest therein.

(e) Debtor will promptly pay any and all taxes, assessments and governmental charges upon the Collateral or for its use or operation.

(f) Debtor will immediately notify Secured Party of any event causing a substantial loss or diminution in the value of all or any material part of the Collateral.

(g) Debtor will keep the Collateral free from any adverse lien, security interest or encumbrance, other than Permitted Liens, and in good order and repair.

(h) Debtor will not sell, license, lease, transfer, or dispose of any of the Collateral or any interest therein (except the sale or lease of inventory in the ordinary course of business), without the prior written consent of Secured Party.

(i) Upon request by Secured Party, Debtor will deliver to Secured Party a detailed aging of accounts in form and substance acceptable to Secured Party.

(j) Debtor shall permit Secured Party and its agents to inspect any or all of the Collateral at all reasonable times and shall promptly deliver to Secured Party and its agents such information with respect to

the Collateral as Secured Party may reasonably request from time to time. The Secured Party may in its own name or in the names of others, communicate with account debtors and other persons obligated on Collateral in order to verify with them, to Secured Party's satisfaction, the existence, amount and terms of any accounts or other rights to payment.

(k) Debtor will have and maintain insurance at all times with respect to the Collateral against risks of fire (including so-called extended coverage), business interruption and such other risks as Secured Party may require, containing such terms, in such form, for such periods and written by such companies as may be acceptable to Secured Party, such insurance to be payable to Secured Party and to provide for at least twenty (20) days' prior written cancellation notice to Secured Party. Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions.

**Section 2. Events Of Default.** Debtor shall be in default under this Agreement upon the occurrence of any one of the following events (herein referred to as an "Event of Default"):

(a) Any representation or warranty made by Debtor to Secured Party herein shall prove to be false or misleading in any material respect when made;

(b) Default by Debtor in the due observance or performance of any covenant or agreement herein contained;

(c) Default in the payment when due of any indebtedness of Debtor to Secured Party secured hereby;

(d) The placing of any attachment on any of the Collateral;

(e) The occurrence of any other default or Event of Default under any of the documents evidencing or securing the Obligations; or

(f) Loss, theft, substantial damage or destruction of any of the Collateral which is not fully and adequately covered by insurance.

In the event that any of the Obligations secured hereby is evidenced by a note payable on demand, the foregoing Events of Default shall be inapplicable to such Obligation, and the only Event of Default hereunder shall be the failure of Debtor to pay such Obligation in full after demand for payment thereof is made by Secured Party. If such note is modified at any time so that the Obligations evidenced thereby are payable other than on demand, the foregoing Events of Default shall apply to such Obligation from and after the date of such modification.

**Section 3. Remedies Upon Event Of Default.** If any Event of Default occurs, Secured Party may declare all obligations secured hereby to be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived. Secured Party may exercise all the rights and remedies of a secured party under the UCC. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place designated by Secured Party. The requirements of reasonable notice shall be met if notice is mailed, postage prepaid, to Debtor at its address set forth above at least ten (10) days before the time of sale or other disposition of the Collateral. The Secured Party shall have the right to demand from the Debtor a list of all accounts or other rights to payment included in the Collateral and to notify any and all account debtors and other persons obligated on Collateral to make payment thereof directly to Secured Party. Secured Party shall also have the right to (i) open all mail addressed to Debtor; (ii) change the Post Office box or mailing address of Debtor; and (iii) use Debtor's stationery and billing forms or facsimiles thereof, for the purpose of collecting accounts and realizing upon the Collateral. Debtor

understands and agrees the Secured Party may exercise its rights hereunder without affording Debtor an opportunity for a preseizure hearing before Secured Party, through judicial process or otherwise, takes possession of the Collateral upon the occurrence of an Event of Default, and Debtor expressly waives any right it may have to such prior hearing.

**Section 4. Expenses.** Debtor will pay to Secured Party on demand the amount of any filing or recording fees and any and all expenses, including attorneys' fees, incurred or paid by Secured Party in ensuring the attachment, perfection and priority of or ability to enforce its security interest in any of the Collateral and in protecting or enforcing any of its rights hereunder, including its right to collect, take possession of, store, and dispose of any of the Collateral or any proceeds thereof.

**Section 5. Waivers, Non-Exclusive Remedies.** No failure or delay on the part of Secured Party in exercising any rights under this Security Agreement or applicable law shall operate as a waiver thereof, nor shall any single or partial exercise by Secured Party of any of such rights preclude any other or further exercise thereof or the exercise of any other rights with respect to the Collateral, and no waiver as to one Event of Default shall affect the rights of Secured Party as to any other or subsequent Event of Default.

**Section 6. Changes In Writing.** This Agreement and any provision hereof may not be amended, waived or terminated except by a written instrument signed by Secured Party and Debtor.

**Section 7. Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts, except to the extent that the validity or perfection of the security interest(s) or the remedies hereunder are governed by the law of another jurisdiction.

**Section 8. Defined Terms.** References in this Agreement to the "UCC" are to the Uniform Commercial Code of the Commonwealth of Massachusetts. Terms defined in the UCC and not otherwise defined herein have the same meanings as defined in the UCC. If a term is defined in Article 9 of the UCC and also in another Article of the UCC, the term defined in Article 9 shall control.

**Section 9. Successors And Assigns.** All the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, personal representatives, successors and assigns of the parties hereto.

**Section 10. General Authority.** Debtor irrevocably authorizes Secured Party at any time and from time to time to file in any filing office of any State any initial financing statements and amendments to financing statements indicating the Collateral in form and substance satisfactory to Secured Party. Secured Party may, at its election, discharge taxes, liens or security interests or other encumbrances at any time levied or placed upon the Collateral, pay for insurance on the Collateral and pay for the maintenance and preservation of the Collateral. Debtor agrees to reimburse Secured Party on demand for any payment made, or any expense incurred by Secured Party pursuant to the foregoing authorization.

**Section 11. Power Of Attorney.** Debtor hereby appoints Secured Party its true and lawful attorney with full power of substitution to take such action as Secured Party deems necessary or advisable to ensure the attachment, perfection, and priority of, and Secured Party's ability to enforce, its security interest in any Collateral, to demand, collect, receive, receipt for, sue for, compound and give acquittance for, any and all amounts due and to become due on any accounts or other rights to payment and to endorse the name of the Debtor on all instruments, documents, and certificated securities given in payment or part-payment thereof and in its discretion to file any claim or take any other action which Secured Party may deem necessary or appropriate to protect and preserve and realize upon the security interest of the Secured Party in any Collateral, to obtain, adjust, settle and cancel any insurance and endorse any drafts or other instruments in payment of any loss, to take any actions permitted by Section 10 hereof and to do all other acts or things contemplated by this Agreement.

IN WITNESS WHEREOF, this Agreement is executed by Debtor and Secured Party under seal on the date set forth above.

BEETLE, INC.

By:

  
William L. Womack, President

COMPASS BANK FOR SAVINGS

By:

  
Andrew K. Springer, Vice President

**EXHIBIT C**

**LOCATIONS OTHER THAN DEBTOR'S  
CHIEF EXECUTIVE OFFICE**

1. Debtor's Mailing Address: 313 Smith Neck Road  
South Dartmouth, MA 02748
  
2. Address(es) of locations where  
the Collateral is located: 313 Smith Neck Road  
South Dartmouth, MA 02748
  
3. Address(es) of locations where  
Debtor's Books and Records  
are located: 313 Smith Neck Road  
South Dartmouth, MA 02748