

11-21-2003

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings



102606072

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):

GRACE KIM

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

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

2. Name and address of receiving party(ies)

Name: WHITEHALL BUSINESS CREDIT CORPORATION

Internal Address:

Street Address: One State Street

City: New York State: NY Zip: 10004

- Individual(s) citizenship [] Association [] General Partnership [] Limited Partnership [] Corporation-State NY [checked] 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 [checked] No

3. Nature of conveyance:

- Assignment [] Merger [] Security Agreement [checked] Change of Name [] Other []

Execution Date: November 10, 2003

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) See Schedule I to Trademark Security Agreement

B. Trademark Registration No.(s) See Schedule I to Trademark Security Agreement

Additional number(s) attached [checked] Yes [] No

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

Name: Federal Research Corporation

Internal Address:

Street Address: 1030 15th Street NW, Suite 920

City: Washington State: DC Zip: 20005

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41): \$ 4000

- Enclosed [] Authorized to be charged to deposit account []

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Loukia Harris Name of Person Signing

[Signature] Signature

November 18, 2003 Date

11/24/2003 EDOOPER 00000040 7574735A

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

01 FC:8521

40.00 DP

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

RECEIVED COPY NOV 21 11 31 AM

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of November 10, 2003, is made by the undersigned (the "Grantor") to and in favor of WHITEHALL BUSINESS CREDIT CORPORATION, a New York corporation ("Lender").

WITNESSETH:

RECITALS.

A. The Grantor owns certain Trademarks (as hereinafter defined) which are registered in, or applications for registration of which have been filed in, the United States Patent and Trademark Office, all as more fully described on Schedule I attached hereto and by reference made part hereof; and

B. The Grantor is the sole shareholder of Tank Corp., a New Jersey corporation (the "Company") which uses the Trademarks in its business; and

C. The Lender proposes to make certain loans to the Company pursuant to pursuant to that certain Credit and Security Agreement, dated as of even date herewith, among the Company, as a borrower thereunder, any other borrower party thereto and the Lender (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"); and

D. The Grantor has guaranteed the payment and performance of the obligations and indebtedness of the Company under the Credit Agreement to Lender pursuant to a Guaranty Agreement dated as of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Guaranty"); and

E. As a condition precedent to the extension of such financial accommodations pursuant to the Credit Agreement and in furtherance of the Guaranty, the Lender has required that the Grantor grant to the Lender, for its benefit and the ratable benefit of Lender, a security interest in and a collateral assignment of the Property (as hereinafter defined);

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. (a) For purposes of this Agreement and in addition to terms defined elsewhere in this Agreement, the following terms shall have the meanings herein specified (such meaning to be equally applicable to both the singular and plural forms of the terms defined):

"Trademarks" means all of the following: (i) all trademarks and service marks, all registrations and recordings thereof, and all applications for trademarks and service marks, including, without limitation registrations, recordings and applications in the office or agency of the United States, any State thereof or any other country or any political subdivision thereof, including, without limitation, those referred to in Schedule I

attached hereto, and (ii) all reissues, continuations, continuations-in-part or extensions thereof.

(b) Capitalized terms used herein and not defined shall have the meanings given to them in the Credit Agreement.

2. (a) As security for the payment and performance of all of the Obligations and the obligations, liabilities and indebtedness of the Grantor to the Lender under the Guaranty, the Grantor hereby grants and conveys a security interest to the Lender, for its benefit and the ratable benefit of the Lender, in, and collaterally assigns to the Lender all of the Grantor's right, title and interest in, to and under the following (collectively, the "Property"): (a) each Trademark now or hereafter owned by the Grantor or in which the Grantor now has or hereafter acquires rights and wherever located, including, without limitation, each Trademark referred to in Schedule I hereto and any renewals of registrations thereof; (b) the goodwill of the Grantor symbolized by the Trademarks; and (c) all products and proceeds of the foregoing, including, without limitation, any claim by the Grantor against third parties for past, present or future infringement of any Trademark including, without limitation, any Trademark referred to in Schedule I hereto.

(b) Notwithstanding the foregoing or anything else in this Agreement to the contrary, unless and until the Lender exercises the rights and remedies accorded to it under this Agreement and by law with respect to the realization upon its security interest in and collateral assignment of the Property, the Lender hereby grants to the Grantor the exclusive, nontransferable, royalty-free right and license under the Property for the Grantor's own benefit and account, so that the Grantor may use and enjoy the Property in connection with business operations of the Company and exercise rights and remedies with respect to the Property, but with respect to all Property being used in the Company's business, only in a manner consistent with the preservation of the current substance, validity, registration and the security interest and collateral assignment herein granted in such Property. The Grantor agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to the Grantor in this paragraph, except that the Grantor may sublicense the Property in the ordinary course to the Company but only in a manner consistent with the preservation of the current substance, validity, registration and the security interest and collateral assignment herein granted in such Property. Upon the exercise by the Lender of the rights and remedies accorded to it under this Agreement and by law with respect to the realization upon its security interest in and collateral assignment of the Property, the license granted under this paragraph to the Grantor shall terminate.

3. The Grantor covenants and warrants that:

(a) Schedule I accurately lists all Trademarks owned or controlled by the Grantor as of the date hereof and accurately reflects the existence and status of the Trademarks and all applications and registrations pertaining thereto as of the date hereof;

(b) the Trademarks are subsisting and have not been adjudged invalid or unenforceable in whole or in part;

(c) there is no outstanding claim that the use of any of the Trademarks violates the rights of any third person;

(d) the Grantor is the sole and exclusive owner of the entire and 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, assignments, licenses, registered user agreement and covenants by the Grantor not to sue third persons), except for the licenses granted to the Company;

(e) the Grantor has the power and authority to enter into this Agreement and perform its terms;

(f) the Grantor has used, and will continue to use for the duration of this Agreement, proper statutory notice, where appropriate, in connection with the Grantor's use of the Trademarks; and

(g) the Grantor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Trademarks.

4. The Grantor covenants and agrees with Lender that from and after the date of this Agreement and until the Obligations are fully satisfied:

(a) At any time and from time to time, upon the written request of the Lender, the Grantor will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Lender may reasonably deem desirable in obtaining the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code with respect to the liens and security interests granted hereby. The Grantor also hereby authorizes Lender to file any such financing or continuation statement without the signature of the Grantor to the extent permitted by applicable law.

(b) The Grantor will not do any act, or omit to do any act, whereby the Trademarks or any registration or application appurtenant thereto, may become abandoned, invalidated, unenforceable, avoided, avoidable, or will otherwise diminish in value, and shall notify the Lender immediately if it knows of any reason or has reason to know of any ground under which this result may occur. The Grantor shall take appropriate action at the Grantor's expense to halt the infringement of the Trademarks and shall properly exercise its duty to control the nature and quality of the goods offered by any licensees.

(c) The Grantor will not create, permit or suffer to exist, and will defend the Property against and take such other action as is necessary to remove any lien, security interest, encumbrance, claim or right, in or to the Property.

(d) The Grantor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license, or otherwise dispose of any of the Property, without prior written consent of Lender.

5. Lender's Appointment as Attorney-in-Fact.

The Grantor hereby irrevocably constitutes and appoints Lender and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Grantor and in the name of the Grantor or in its own name, from time to time in Lender's discretion, for the purposes of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives Lender the power and right, on behalf of the Grantor, to do the following:

(a) Upon the occurrence and continuance of an Event of Default, to ask, demand, collect, receive and give acquittances and receipts for any and all moneys due and to become due under any License and, in the name of the Grantor or its own name or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any license of the Property and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Lender for the purpose of collecting any and all such moneys due under any License whenever payable;

(b) To pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Property, to effect any repairs or any insurance called for by the terms of this Agreement and to pay all or any part of the premiums therefor and the costs thereof; and

(c) Upon the occurrence and continuance of an Event of Default, (A) to direct any party liable for any payment under any of the licenses to make payment of any and all moneys due and to become due thereunder directly to Lender or as Lender shall direct; (B) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Property; (C) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Property or any part thereof and to enforce any other right in respect of any Property; (D) to defend any suit, action or proceeding brought against the Grantor with respect to any Property; (E) to settle, compromise, or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as Lender may deem appropriate; and (F) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Property as fully and completely as though Lender were the absolute owner thereof for all purposes, and to do, at Lender's option all acts and things which Lender deems necessary to protect, preserve or realize upon the Property and Lender's security interest therein, in order to effect the intent of this Agreement, all as fully and effectively as the Grantor might do.

This power of attorney is a power coupled with an interest and shall be irrevocable. Notwithstanding the foregoing, the Grantor further agrees to execute any additional documents which Lender may require in order to confirm this power of attorney, or which Lender may deem necessary to enforce any of its rights contained in this Agreement. The powers conferred on Lender hereunder are solely to protect its interests in the Property and shall not impose any duty upon it to exercise any such powers. Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any

of its officers, directors, employees or agents shall be responsible to the Grantor for any act or failure to act, except for its own gross (not mere) negligence or willful misconduct.

6. Performance by Lender of Grantor's Obligations. If the Grantor fails to perform or comply with any of its agreements contained herein and Lender, as provided for by the terms of this Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of Lender incurred in connection with such performance or compliance shall be payable by the Grantor to Lender on demand and shall constitute Obligations secured hereby.

7. Remedies, Rights Upon Event of Default.

(a) If an Event of Default shall occur and be continuing:

(i) All payments received by the Grantor under or in connection with any of the Property shall be held by the Grantor in trust for Lender, shall be segregated from other funds of the Grantor and shall forthwith upon receipt by the Grantor, be turned over to Lender, in the same form as received by the Grantor (duly indorsed by the Grantor to Lender, if required); and

(ii) Any and all such payments so received by Lender (whether from the Grantor or otherwise) may, in the sole discretion of Lender, be held by Lender as collateral security for, and/or then or at any time thereafter applied in whole or in part by Lender against all or any part of the Obligations in such order as Lender shall elect. Any balance of such payments held by Lender and remaining after payment in full of all the Obligations shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive the same.

(b) If any Event of Default shall occur and be continuing, Lender may exercise in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Uniform Commercial Code. The Grantor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Property are insufficient to pay all amounts to which Lender is entitled. The Grantor shall also be liable for the reasonable fees of any attorneys employed by Lender to collect any such deficiency and also as to any reasonable attorney's fees incurred by Lender with respect to the collection of any of the Obligations and the enforcement of any of Lender's respective rights hereunder.

8. This Agreement shall terminate upon termination of the Credit Agreement and the Guaranty. At any time and from time to time prior to such termination, the Lender may terminate its security interest in or reconvey to the Grantor any rights with respect to any or all of the Property. Upon termination of this Agreement and following a request from the Grantor, the Lender shall, at the expense of the Grantor, execute and deliver to the Grantor all deeds, assignments and other instruments as may be necessary or proper in reasonable judgment of the Grantor in order to evidence such termination, subject to any disposition of the Property which may have been made by the Lender pursuant hereto.

9. If at any time before the termination of this Agreement, the Grantor shall obtain or acquire rights to any new Trademark (including any Trademark application), the provisions of Section 2 shall automatically apply thereto and the Grantor shall comply with the terms of this Agreement with respect to such new Trademark. The Grantor authorizes the Lender to modify this Agreement by amending Schedule I to include any future Trademarks (and Trademark applications) covered by Section 2.

10. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT PERFECTION (AND THE EFFECT OF PERFECTION AND NONPERFECTION) AND CERTAIN REMEDIES MAY BE GOVERNED BY THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the Grantor has caused this Agreement to be duly executed as of the date first above written.

“GRANTOR”



Grace Kim

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 10 day of November, 2003 before me personally came Grace Kim to me known to be the individual described in and who executed the foregoing instrument, and acknowledged to me that she executed the same.

Notary Public

My Commission Expires:


[NOTARIAL SEAL]

LOUKIA HARRIS
Notary Public, State of New York
No. 01HA4965675
Qualified in Nassau County
Commission Expires April 27, 2006

SCHEDULE I

REGISTERED U.S. TRADEMARKS

<u>DESCRIPTION</u>	<u>REGISTRATION NO.</u>	<u>REGISTRATION DATE</u>
--------------------	-------------------------	--------------------------

PENDING U.S. TRADEMARK APPLICATIONS

<u>DESCRIPTION</u>	<u>APPLICATION NO.</u>	<u>FILING DATE</u>
VEEZO	75/747358	6/28/99