

03-10-2004



To the Honorable Commissioner of:

102689953

and original documents or copy thereof.

1. Name of conveying party(ies):

HARTSTRINGS, LLC
HARTSTRINGS NEVIS, LLC

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☐ Corporation-State
☒ Other LIMITED LIABILITY COMPANY

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

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other

Execution Date: 12-19-03

2. Name and address of receiving party(ies)

Name: HSBC BANK USA

Internal

Address:

Street Address: 425 FIFTH AVE

City: NY State: NY Zip: 10018

☐ Individual(s) citizenship

☒ Association BANKING

☐ 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)

B. Trademark Registration No.(s)

2,125,126, 1,944,092, 1,718,256,
1,417,505

Additional number(s) attached ☐ Yes ☒ No

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

Name: TONYA CHAPPLE

Internal Address: C/O CSC

Street Address: 80 STATE STREET

City: ALBANY State: NY Zip: 12207

6. Total number of applications and registrations involved:

4

7. Total fee (37 CFR 3.41).....\$ 115.00

☒ Enclosed

☐ Authorized to be charged to deposit account

8. Deposit account number:

(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.

TONYA CHAPPLE

Name of Person Signing

Tonya Chapple
Signature

3/1/04

Date

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

10

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

03/09/2004 MGETACHE 00000176 2125126

01 FC:8521
02 FC:8522

40.00 OP
75.00 OP



03-03-2004

U.S. Patent & TMO/TM Mail Rcpt Dt. #72

TRADEMARK
REEL: 002924 FRAME: 0349

SECURITY AGREEMENT - TRADEMARKS

1. **THE SECURITY.** The undersigned HARTSTRINGS, LLC and HARTSTRINGS NEVIS, LLC (individually and collectively referred to herein as "Borrower") for valuable consideration hereby grants to HSBC BANK USA, ("Bank"), a security interest in any and all right, title, and interest of Borrower in and to the following described personal property, whether now owned or hereafter acquired ("Collateral"):

A. All trademarks, service marks, logos, and all United States, state and/or foreign applications for registration and registrations thereof, all trade names, trade styles, designs, and the like, all elements of package or trade dress of goods, the goodwill of each of the Borrower's business connected with the use of, and symbolized by any of the above, and all property of each Borrower necessary to produce any products sold under any of the above.

B. All rights to damages or profits due or accrued arising out of past, present or future infringement of the Collateral or injury to each Borrower's good will connected with the use of the Collateral and the right to sue therefor.

C. All renewals, modifications, amendments, re-issues, divisions, continuations in whole or part, and extensions of any Collateral.

D. All proceeds of any Collateral.

2. **THE INDEBTEDNESS.** The Collateral secures and will secure all Indebtedness of each Borrower to Bank. For the purposes of this Agreement, "Indebtedness" shall mean all loans and advances made by Bank to each Borrower and all obligations and liabilities of each Borrower to Bank, whether now existing or hereafter incurred or created, whether voluntary or involuntary, whether due or not due, whether absolute or contingent (including but not limited to obligations of each Borrower as a guarantor of the indebtedness of another).

3. **WARRANTIES AND REPRESENTATIONS.** Each Borrower represents and warrants to Bank as follows:

A. Exhibit A to this Agreement is a complete list of all trademark and service mark registrations in which Borrower has any right, title, or interest, throughout the world as of the date hereof.

B. Borrower has full power and authority to execute this Agreement and perform its obligations hereunder, and to subject the Collateral to the security interest transferred hereby.

C. Borrower is the lawful owner of the entire right, title and interest in and to all the Collateral, free and clear of all liens, charges, encumbrances, claims of infringement, setoffs, counterclaims, licenses, shop

rights, and covenants not to sue third persons, except as Bank has consented to in writing.

4. **BORROWER'S COVENANTS.** Each Borrower covenants and agrees that, unless compliance is waived by Bank in writing:

A. Borrower will at its expense properly maintain the Collateral and shall not fail to renew and shall not otherwise abandon any Collateral except as determined by Borrower in exercise of its reasonable business judgment. Subject to Borrower's right to abandon Collateral or applications for trademark or service mark or copyright no longer used or useful in Borrower's business in Borrower's reasonable business judgment, Borrower will, at its expense, diligently prosecute all trademark or service mark or copyright applications pending on or after the date hereof, will maintain in effect all issued trademarks and will renew all trademark and service mark registrations, including payment of any and all maintenance and renewal fees relating thereto.

B. Borrower will at its expense protect and defend all rights in the Collateral against any claims and demands of all persons other than the Bank and will, at its expense, enforce all rights in the Collateral against any and all infringers of the Collateral. Borrower will not license or transfer any of the Collateral except with Bank's prior written consent or in the ordinary course of Borrower's business.

C. Borrower will promptly notify Bank of any acquisition (by adoption and use, purchase, license or otherwise) of any trademark or service mark registration, copyright registration, mask work registration, and applications therefor, and unregistered trademarks and service marks, throughout the world, which are granted or filed or acquired after the date hereof or which are not listed on Exhibit A hereto. Borrower authorizes Bank, without notice to Borrower, to modify this Agreement by amending Exhibit A to include any such Collateral.

D. Borrower will promptly notify Bank of any legal process which is levied against all or any portion of the Collateral and any other event which may have a material adverse effect on the value of all or any material portion of the Collateral (including, but not limited to, conduct which might infringe on any material Collateral) or the rights and remedies of Bank in relation thereto, and Borrower will enforce all rights in the Collateral against any and all infringers thereof.

E. Borrower will, at the request of Bank, execute such other agreements, documents or instruments in connection with this Agreement as Bank may reasonably deem necessary, including, but not limited to, those documents prepared by Bank which, at Bank's option, Bank chooses to record with any governmental entity, in any State or at the Federal level or in any foreign country, relating to the security interest Bank holds in the Collateral.

F. Borrower will pay to Bank, on demand, the amounts of any fees required to be paid in connection with recordation of this Agreement or any other agreement, document, or instrument evidencing Bank's security interest and any other rights in or to the Collateral.

5. DEFAULTS. Any event of default under and as defined in the Continuing General Security Agreement.

6. BANK'S REMEDIES AFTER DEFAULT. In the event of any default Bank may do any one or more of the following:

A. Declare any Indebtedness secured hereby immediately due and payable.

B. Enforce the security interest given hereunder pursuant to the Uniform Commercial Code and any other law.

7. MISCELLANEOUS.

A. In the event of a sale of Collateral (whether under power of sale herein granted, pursuant to judicial process or otherwise), Borrower will duly execute and acknowledge all documents necessary or advisable to record title to such Collateral in the name of the purchaser, including, without limitation, valid and recordable assignments of such Collateral.

B. Each Borrower hereby appoints Bank, effective upon the occurrence of a default hereunder, as such Borrower's attorney-in-fact, with full authority to take any action and to execute any instrument which the Bank may deem necessary or advisable to accomplish the purposes of this Agreement. Such appointment of Bank as such Borrower's attorney-in-fact is coupled with an interest and is irrevocable.

C. Any waiver, expressed or implied, of any provision hereunder and any delay or failure by Bank to enforce any provision shall not preclude Bank from enforcing any such provision thereafter.

D. This Agreement shall be governed by and construed according to the laws of the State of New Jersey.

E. All rights and remedies herein provided are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude the further exercise thereof or the exercise of any other right or remedy.

F. All terms not defined herein are used as set forth in the Uniform Commercial Code.

G. In the event of any action by Bank to enforce this Agreement or to protect the security interest of Bank in the Collateral, Borrower agrees to pay immediately the costs and expenses thereof, together with reasonable attorney's fees and allocated costs for in-house legal services.

H. This Agreement and any agreement or document attached hereto, referred to herein or executed concurrently herewith, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all oral negotiations and prior writings in respect to the subject matter hereof.

8. **CONSENT TO JURISDICTION.** To induce Bank to accept this Agreement, each Borrower irrevocably agrees that, subject to Bank's sole and absolute election, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF, FROM OR RELATED TO THIS AGREEMENT WILL BE LITIGATED IN COURTS HAVING SITUS WITHIN NEW YORK. EACH BORROWER HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN NEW YORK, WAIVES PERSONAL SERVICE OF PROCESS UPON BORROWER, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO EACH BORROWER AT THE ADDRESS STATED ON THE SIGNATURE PAGE HEREOF, AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.

9. **WAIVER OF JURY TRIAL. EACH BORROWER HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH, OR (b) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH BORROWER AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST BANK OR ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.**

Dated: December 19, 2003

HSBC BANK USA

By: Melanie Parrott

Title: V.P.

HARTSTRINGS, LLC

By: John H. Lewis

Title: CFO

Address of Borrower:

270 East Conestoga Road
Strafford PA 19087

HARTSTRINGS NEVIS, LLC

By: Juan M. Lewis 

Title: CFO

Address of Borrower:

270 East Conestoga Road
Strafford PA 19087

EXHIBIT A**TRADEMARKS AND SERVICE MARKS****HARTSTRINGS, LLC****U.S. Registered Trademarks**

Reg. No.	Filing Date	Mark
2,125,126	Aug. 14, 1996	K.C. PARKER
1,944,092	Jan. 18, 1995	HARTSTRINGS BABY
1,718,256	Dec. 12, 1989	HARTSTRINGS
1,417,505	Nov. 12, 1985	KITESTRINGS

Foreign Registered Trademarks

Reg. No.	Filing Date	Mark
1525382	Jan. 28, 1993	HARTSTRINGS (U.K.)
1525381	Jan 28, 1993	HARTSTRINGS (U.K.)
1524787	Jan 23, 1993	KITESTRINGS (U.K.)
TMA416039	March 4, 1992	KITESTRINGS (CANADA)
TMA427778	March 4, 1992	HARTSTRINGS (CANADA)
00870834	Feb. 11, 1992	KITESTRINGS (GERMANY)
2691053	Feb. 10, 1992	KITESTRINGS (JAPAN)
2689096	Feb. 12, 1992	HARTSTRINGS (JAPAN)
401476		HARTSTRINGS (MEXICO)
401485		HARTSTRINGS (MEXICO)
403997		HARTSTRINGS (MEXICO)
684193	Jan. 30, 1993	HARTSTRINGS (SINGAPORE)
685193	Jan. 30, 1993	HARTSTRINGS (SINGAPORE)
401477	Sept. 5, 1990	KITESTRINGS (MEXICO)
403996	Sept. 13, 1990	KITESTRINGS (MEXICO)
686193	Jan. 30, 1993	KITESTRINGS (SINGAPORE)

EXHIBIT A

TRADEMARKS AND SERVICE MARKS

HARTSTRINGS NEVIS, LLC

NONE

EXHIBIT A

HARTSTRINGS, LLC
PENDING TRADEMARK AND
SERVICE MARK APPLICATIONS

NONE

EXHIBIT A

**HARTSTRINGS NEVIS, LLC
PENDING TRADEMARK AND
SERVICE MARK APPLICATIONS**

NONE

EXHIBIT A**- TRADEMARKS AND SERVICE MARKS****HARTSTRINGS, LLC****U.S. Registered Trademarks**

Reg. No.	Filing Date	Mark
2,125,126	Aug. 14, 1996	K.C. PARKER
1,944,092	Jan. 18, 1995	HARTSTRINGS BABY
1,718,256	Dec. 12, 1989	HARTSTRINGS
1,417,505	Nov. 12, 1985	KITESTRINGS

Foreign Registered Trademarks

Reg. No.	Filing Date	Mark
1525382	Jan. 28, 1993	HARTSTRINGS (U.K.)
1525381	Jan 28, 1993	HARTSTRINGS (U.K.)
1524787	Jan 23, 1993	KITESTRINGS (U.K.)
TMA416039	March 4, 1992	KITESTRINGS (CANADA)
TMA427778	March 4, 1992	HARTSTRINGS (CANADA)
00870834	Feb. 11, 1992	KITESTRINGS (GERMANY)
2691053	Feb. 10, 1992	KITESTRINGS (JAPAN)
2689096	Feb. 12, 1992	HARTSTRINGS (JAPAN)
401476		HARTSTRINGS (MEXICO)
401485		HARTSTRINGS (MEXICO)
403997		HARTSTRINGS (MEXICO)
684193	Jan. 30, 1993	HARTSTRINGS (SINGAPORE)
685193	Jan. 30, 1993	HARTSTRINGS (SINGAPORE)
401477	Sept. 5, 1990	KITESTRINGS (MEXICO)
403996	Sept. 13, 1990	KITESTRINGS (MEXICO)
686193	Jan. 30, 1993	KITESTRINGS (SINGAPORE)