

03-26-2004

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

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

102704744

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

1. Name of conveying party(ies):

MicroPack Corporation

- Individual(s) Association General Partnership Limited Partnership Corporation-State Other Delaware

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 2/27/04

2. Name and address of receiving party(ies)

Name: Sovereign Bank

Internal

Address:

Street Address: 446 Main Street

City: Worcester State: MA Zip: 01608

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Other Federal Savings Bank

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) 2,011,808; 2,253,242;

2,221,742; 2,282,814; 2,445,618; 2,587,956; 2,692,986

Additional number(s) attached Yes No

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

Name: Christine M. Baker, Esq.

Internal Address:

Mintz Levin Cohn Ferris Glovsky & Popeo, PC

Street Address:

Chrysler Center, 666 Third Avenue

City: New York State: NY Zip: 10017

6. Total number of applications and registrations involved: 7

7. Total fee (37 CFR 3.41) \$ 280

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Christine M. Baker, Esq. Name of Person Signing

Signature

3/22/04 Date

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

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

03/25/2004 NGETACHE 00000121 2011808

01 FC:0521 40.00 OP 02 FC:0522 150.00 OP

Refund Ref: 03/25/2004 NGETACHE 0000135000

CHECK Refund Total: \$90.00

**TRADEMARK AND PATENT COLLATERAL ASSIGNMENT
AND COLLATERAL SECURITY AGREEMENT**

AGREEMENT (the "Agreement") dated as of March 1, 2004 is between **MICROPACK CORPORATION**, a Delaware corporation having its principal place of business at 5 Commonwealth Road, Suite 3A, Natick, Massachusetts 01760 (the "Borrower") and **SOVEREIGN BANK**, a federal savings bank having a place of business at 446 Main Street, Worcester, Massachusetts, 01608 (the "Bank").

RECITALS:

A. On March 1, 2004, the Borrower entered into a Loan Agreement (as the same may hereafter be amended or restated, the "Loan Agreement") with the Bank, pursuant to which the Bank has agreed to extend credit to the Borrower.

B. The obligations of the Borrower to the Bank are secured in part by a Security Agreement dated as of March 1, 2004 (as the same may hereafter be amended or restated, the "Security Agreement") which granted to the Bank a security interest in all assets of the Borrower including, but not limited to, the Trademark Collateral (as defined below) and the Patent Collateral (as defined below) referred to in this Agreement; and

C. As a condition precedent to funding the Loans under the Loan Agreement, the Borrower is required to execute and deliver this Agreement and to grant to the Bank a continuing security interest in and Collateral Assignment (as defined below) of all of the Trademark Collateral and Patent Collateral to secure all the Obligations;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Bank to fund the Loans pursuant to the Loan Agreement, the Borrower agrees as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, capitalized terms used in this Agreement, including its preambles and recitals, have the meanings provided in the Loan Agreement. In addition the following terms shall have the meanings set forth below:

"**Associated Goodwill**" shall mean all goodwill of the Borrower or its business, products and services appurtenant to, associated with the Trademarks (as defined below) and the Patents (as defined below) and/or use thereof.

"**Related Assets**" shall mean assets, rights and interests of the Borrower which uniquely reflect or embody the Associated Goodwill, including, but not limited to, the following: trademarks, trademark applications, service marks, trade names, trade styles, logos, inventions, copyrights, trade secrets, patents, confidential information, formulae, algorithms, methods, processes, compounds, know-how, operating systems, drawings, descriptions, formulations, manufacturing specifications, catalogs, price lists, and advertising materials relating to the manufacture, production, delivery, provision, licensing and sale of goods and services under or in association with any of the Trademarks or the Patents, and all books and records describing or

used in connection with any or all of the foregoing, in each case, whether such items are in possession or under the control of the Borrower, or subject to its demand for possession or control, related to the production, delivery, provision, licensing and sale by the Borrower, or any affiliate, licensee or contractor, of products or services sold by or under the authority of the Borrower in connection with the Trademarks and the Patents, whether prior to, on or subsequent to the date hereof.

SECTION 2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower hereby grants to the Bank, to secure the payment and performance in full of the Obligations, a security interest in the following properties, assets and rights of the Borrower, whether now owned or hereafter existing or acquired

- (a) (the "Trademark Collateral"):
- (i) all of the Borrower's registered trademarks, trademark applications and goodwill (collectively the "Trademarks") which are now or hereafter issued by or filed with the U.S. Patent and Trademark Office including without limitation the trademarks listed on Schedule I attached hereto and made a part hereof;
 - (ii) all Associated Goodwill and all Related Assets with respect to the Trademarks; and
 - (iii) all proceeds of all of the foregoing (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements of the Trademarks, all rights corresponding thereto throughout the world and all re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof; and
- (b) (the "Patent Collateral"):
- (i) all of the Borrower's registered and unregistered patents, patent applications and goodwill (collectively, the "Patents") which are now or hereafter issued by or filed with the U.S. Patent and Trademark Office including without limitation the patents and patent applications listed on Schedule II attached hereto and made a part hereof;
 - (ii) all Associated Goodwill and Related Assets with respect to the Patents; and
 - (iii) all proceeds of all of the foregoing (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements of the Patents, all rights corresponding thereto throughout the world and all re-issues,

divisions, continuations, renewals, extensions and continuations-in-part thereof.

SECTION 3. Collateral Assignment. In addition to, and not by way of limitation of, the foregoing grant of a security interest in the Trademark Collateral and the Patent Collateral, the Borrower hereby grants, assigns, transfers, conveys and sets over to the Bank, its entire right, title and interest in and to the Trademark Collateral and the Patent Collateral; provided, however, that such grant, assignment, transfer and conveyance shall be and become of force and effect only upon the occurrence of the Bank's exercise of its remedies after an Event of Default (the "Condition Subsequent"), including the sale or other disposition of or foreclosure upon the Collateral pursuant to the Loan Documents and the Uniform Commercial Code (including the transfer or other disposition of the Collateral by the Borrower to the Bank in lieu of foreclosure). The foregoing collateral assignment shall be referred to herein as the "Collateral Assignment."

SECTION 4. Effect of Collateral Assignment.

(a) Upon the occurrence of the Condition Subsequent, the Bank shall have, in addition to all other rights and remedies of the Bank, whether under law, the Loan Documents or otherwise (all such rights and remedies being cumulative, not exclusive, and enforceable alternatively, successively or concurrently, without notice to or consent by the Borrower except as expressly provided otherwise herein), the right to take any and all of the following actions:

- (i) to exercise, in respect of the Trademark Collateral or the Patent Collateral, all the rights and remedies of a secured party upon default under the Uniform Commercial Code;
- (ii) to use the Trademark Collateral and the Patent Collateral for the limited purpose of disposing of the Collateral;
- (iii) to sell, transfer or assign the Trademark Collateral and the Patent Collateral or any part thereof;
- (iv) to grant any license to make, have made, use or sell under or pursuant to any or all of the Trademarks and the Patents;
- (v) to seek issuance of all Trademarks and Patents in accordance with this Agreement;
- (vi) to execute and file assignments of the Trademarks and the Patents and the other Trademark Collateral and Patent Collateral in the name of the Borrower, the Bank, or its nominee with the U.S. Patent and Trademark Office or any similar office or agency of any other country as it may deem appropriate;
- (vii) to perform all acts required or permitted to be performed in connection with maintaining the Trademarks and Patents and the other Trademark Collateral and the Patent Collateral; and

(viii) to perform all other acts to perfect and continue the Bank's security interest in, and to protect, preserve and enforce the Trademarks and the Patents and the other Trademark Collateral and Patent Collateral.

(b) Upon written demand of the Bank following the occurrence of the Condition Subsequent, the Borrower shall immediately cease and desist in the use of the Trademarks and the Patents or any colorable imitation thereof.

SECTION 5. Representations, Warranties and Covenants of the Borrower. The Borrower represents, warrants and covenants that:

(a) The Trademarks and the Patents are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) The Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks and the Patents, free and clear of any liens, charges and encumbrances;

(c) The Borrower is authorized to enter into this Agreement and perform the obligations hereunder; and

(d) Until all of the Obligations shall have been indefeasibly satisfied in full, it will not enter into any agreement (for example, a license agreement) which would adversely impact the Borrower's ability to perform its obligations under this Agreement, without the Bank's prior written consent.

SECTION 6. Security Agreement. This Agreement has been executed and delivered by the Borrower for the purpose of recording the security interest of and Collateral Assignment to the Bank in the Trademark Collateral and the Patent Collateral with the United States Patent and Trademark Office and, if applicable, with the corresponding offices and authorities of any local, state or foreign governments. The security interest and Collateral Assignment granted hereby have been granted as a supplement to, and not in limitation of, the security interest and other liens in the Collateral (including the Trademark Collateral and the Patent Collateral) granted to the Bank under the other Loan Documents. The Security Agreement and the other Loan Documents (and all rights and remedies of the Bank thereunder) shall remain in full force and effect in accordance with their respective terms.

SECTION 7. Additional Collateral. If, before the Obligations shall have been satisfied in full, the Borrower shall obtain rights to any new Trademark or Patent or become entitled to the benefit of any Trademark application, Trademark, Patent application or Patent for any reissue, division, continuation, renewal, extension or continuation-in-part of any Trademarks or Patents or any changes on any Trademarks or Patents, the provisions of this Agreement shall automatically apply thereto and the Borrower shall give to the Bank prompt notice thereof in writing. The Borrower authorizes the Bank to modify this Agreement by amending Schedule I and Schedule II to this Agreement to include any such future Trademark, Trademark applications, Patents or Patent applications after its receipt of notice related thereto from the Borrower.

SECTION 8. Bank's Fees and Expenses. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by the Bank in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording or any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining, preserving the Trademarks and the Patents or other Trademark Collateral and Patent Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks and the Patents and the other Trademark Collateral and Patent Collateral, shall be borne and paid by the Borrower within five (5) days of demand by the Bank and until so paid shall be added to the principal amount of the Obligations and, if paid by the Bank after the Borrower's failure to do so, shall bear interest at the highest rate prescribed in the Loan Agreement.

SECTION 9. Trademarks to be Issued; Bank's Expenses. The Borrower shall have the duty to prosecute diligently any Trademark application with respect to the Trademarks pending as of the date of this Agreement, or any initiated thereafter to the extent the same shall be used in the Borrower's business until the Obligations are paid in full, and to preserve and maintain all rights in Trademark applications and the Trademarks to the extent the same shall be used in the Borrower's business. Any expenses incurred in connection with such an application shall be borne by the Borrower. The Borrower shall not abandon any right to file a Trademark application, or any pending Trademark application or Trademark that is used in the Borrower's business without the consent of the Bank, which consent shall not be unreasonably withheld.

SECTION 10. Enforcement; Further Assurances.

(a) After the occurrence of an Event of Default, the Bank shall have the right but shall in no way be obligated to bring suit in its own name or in the name of the Borrower to enforce the Trademarks and the Patents and the other Trademark Collateral and Patent Collateral and any license thereunder. The Borrower shall promptly, within five (5) days of demand, reimburse and indemnify the Bank for all costs and expenses incurred by the Bank in the exercise of its rights under this Section. Until the Bank shall have made demand upon the Borrower under Section 4(b) of this Agreement, the Borrower shall have the right and the obligation to enforce the Trademarks and Patents and the Trademark Collateral and the Patent Collateral.

(b) The Borrower shall, from time to time, at the reasonable request of the Bank do any and all lawful acts and execute any and all proper documents required by the Bank in aid of Bank's rights under this Agreement, including without limitation, collateral assignments of the Trademark Collateral and the Patent Collateral in recordable form.

SECTION 11. Cumulative Rights and Remedies. All of the Bank's rights and remedies, with respect to the Trademarks and the Patents and the other Trademark Collateral and the Patent Collateral, whether established hereby, by the Loan Documents, or by any other agreements or by law shall be cumulative any may be exercised singularly or concurrently.

SECTION 12. Release of Security Interest. Upon payment in full of all Obligations, the Bank shall promptly execute all instruments and other documents as may be necessary or proper to release the security interest in and the collateral assignment of the Trademark Collateral and the Patent Collateral which has been granted hereunder.

SECTION 13. Loan Document, etc. This Agreement is a Loan Document executed pursuant to the Loan Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Loan Agreement.

SECTION 14. Counterparts. This Agreement may be executed by the parties to this Agreement in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

IN WITNESS WHEREOF, the Borrower has caused this Agreement to be duly executed and delivered as an instrument under seal of the day and year first above written.

MICROPACK CORPORATION

By: James M. Morgan
James M. Morgan, President

SOVEREIGN BANK

By: [Signature]
Its Duly Authorized Officer

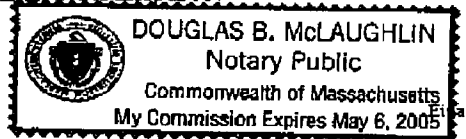
COMMONWEALTH OF MASSACHUSETTS

WORCESTER, ss

Feb. 27
March _____, 2004

Then personally appeared the above named James M. Morgan, its President and acknowledged the foregoing instrument to be the free act and deed of MICROPACK CORPORATION, before me.

Douglas B. McLaughlin
Notary Public
My Commission Expires:



SCHEDULE IMICROPACK CORPORATION
TRADEMARKS
(ALL U.S.)SCHEDULE IMICROPACK CORPORATION
TRADEMARKS
(ALL U.S.)

Trademark	Serial Number	Filing Date	Registration Number	Registration Date	Country/State
HIDDEN SPRING (Stylized)	74/733087	9/22/95	2,011,808	10/29/96	United States
HIDDEN SPRING	N/A	N/A	55,712	4/13/98	Massachusetts
HIDDEN SPRING	N/A	N/A	15,187	5/1/98	New Jersey
HIDDEN SPRING	N/A	N/A	R28861	2/12/98	New York
HIDDEN SPRING	N/A	N/A	7,819	2/12/98	Vermont
VIVEAU	75/446345	3/9/98	2253242	6/15/99	United States
PRIMA	75/446347	3/9/98	2221742	2/2/99	United States
QUENCH-IT	75/446346	3/9/98	2282814	10/5/99	United States
VIVA	75/686071	4/19/99	2445618	4/24/01	United States
ARCTIC MIST	76/217029	2/27/01	2587956	7/2/02	United States
ARCTIC BLUE	76/404911	5/9/2002	2692986	3/4/03	United States