

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY INTEREST
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CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Admiral Craft Equipment Corp.		09/27/2007	CORPORATION: NEW YORK

RECEIVING PARTY DATA

Name:	Sovereign Bank
Street Address:	101 Wood Avenue South
Internal Address:	Sixth Floor
City:	Iselin
State/Country:	NEW JERSEY
Postal Code:	08830
Entity Type:	Federal Savings:

PROPERTY NUMBERS Total: 7

Property Type	Number	Word Mark
Serial Number:	76435267	ADVANTAGE SERIES
Serial Number:	76504377	ADCRAFT
Serial Number:	76504379	ADCRAFT
Registration Number:	2491962	NEST-WELL
Registration Number:	2400009	GAUCHO
Registration Number:	2397831	BLACK STEER
Serial Number:	76433051	GET-A- GRIP ADCRAFT

CORRESPONDENCE DATA

Fax Number: (973)624-0356
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 973-624-2800
 Email: JMALYSKA@MEYNER.COM
 Correspondent Name: John N. Malyska, Esq.
 Address Line 1: One Gateway Center

OP \$190.00 76435267

Address Line 2: Suite 2500
Address Line 4: Newark, NEW JERSEY 07102

ATTORNEY DOCKET NUMBER: 4551.0008

NAME OF SUBMITTER: Matthew Lobman

Signature: /Matthew Lobman/

Date: 10/03/2007

Total Attachments: 20

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TRADEMARK AND TRADENAME SECURITY AGREEMENT

THIS TRADEMARK AND TRADENAME SECURITY AGREEMENT (the “Agreement”) is made as of September 27, 2007, by

ADMIRAL CRAFT EQUIPMENT CORP., a corporation organized and existing under the laws of the State of New York with its principal place of business at 940 South Oyster Bay Road, Hicksville, New York 11801 (being hereinafter referred to as “**Borrower**”)

in favor of

SOVEREIGN BANK, a federal savings bank organized under the laws of the United States with offices at 101 Wood Avenue South, Sixth Floor, Iselin, New Jersey 08830 (together with any entity which now or hereafter directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, SOVEREIGN BANK, and all successors and assigns of the foregoing hereinafter collectively referred to as “**Lender**”)

WITNESSES THAT:

(1) **WHEREAS**, contemporaneously herewith, Lender is extending certain loan and letter of credit facilities to Borrower (such loan and letter of credit facilities, together with all extensions, modifications, refinancings, renewals, substitutions, replacements and/or redatings thereof, being hereinafter collectively and individually referred to as the “**Loans**”) pursuant to the terms and conditions of a certain Loan and Security Agreement of even date herewith by and between Lender and Borrower (such Loan and Security Agreement, together with all extensions, modifications, refinancings, renewals, substitutions, replacements and/or redatings thereof, being hereinafter collectively referred to as the “**Loan Agreement**”), the aforesaid Loan Agreement and any and all other documents (including any notes), instruments, writings and agreements related thereto, together with all extensions, modifications, refinancings, renewals, substitutions, replacements and/or redatings thereof, being hereinafter collectively and individually referred to as the “**Loan Documents**”; and

(2) **WHEREAS**, it is a condition of Lender’s obligation to extend or cause the extension of the Loans that Borrower execute and deliver to Lender this Agreement;

(3) **WHEREAS**, to induce Lender to enter into the Loan Documents, Borrower is willing to execute and deliver this Agreement to Lender and to perform Borrower’s obligations hereunder;

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants set forth in the Loan Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby agrees and covenants in favor of Lender as follows:

1. **Definitions.** As used herein, the following terms shall have the following meanings:
 - 1.1 **“Agreement”** means this Trademark and Tradename Security Agreement, and any and all schedules and exhibits annexed hereto, together with all extensions, modifications, refinancings, renewals, substitutions, replacements and/or redatings hereof,
 - 1.2 **“Collateral”** means each and all of the following collectively and individually:
 - (a) each of the Trademarks and the goodwill of the business symbolized by each of the Trademarks;
 - (b) each of the Licenses;
 - (c) all accounts, contract rights and general intangibles of Borrower arising under or relating to the Licenses, whether now existing or hereafter arising, including, without limitation, (1) all moneys due and to become due under any License, (2) any damages arising out of or for breach or default in respect of any such License, (3) all other amounts from time to time paid or payable under or in connection with any such License, and (4) the right of Borrower to terminate any such License or to perform and to exercise all remedies thereunder;
 - (d) any claims by Borrower against third parties, and all proceeds of suits, for infringement of the Trademarks, and the rights to sue for past, present and future infringements and all rights corresponding thereto in the United States; and
 - (e) as to all of the foregoing (a) through (d) inclusive, and any and all cash proceeds, non-cash proceeds and products thereof, additions and accessions thereto, replacements and substitutions therefor, and all related books, records, journals, computer print-outs and data, of Borrower.
 - 1.3 **“Events of Default”** means any one or more of the events set forth in **Section 5** of this Agreement.
 - 1.4 **“Licenses”** means, collectively and individually, any and all Trademark license agreements granted by Borrower to third parties, whether now existing or hereafter arising, as any of same may from time to time be amended or supplemented,

including, but not limited to, the license agreements listed on **Schedule B** annexed hereto and made a part hereof.

- 1.5 (1) **“Obligations”** means each and all of the following collectively and individually:
- (1) principal due on the Revolving Loan and the Revolving Note (including all advances and re-advances under the Revolving Loan and the Revolving Note) to be paid with interest thereon as required by the Loan Agreement and the Revolving Note;
 - (2) advances and re-advances which are and which may be made from time to time by Lender to Borrower not in compliance with the Lending Formula or the **“loan value”** requirements of **Article II** of the Loan Agreement;
 - (3) advances and re-advances which are and which may be made from time to time by Lender on behalf of or for the account of Borrower over and above any monetary limitation on the Revolving Loan and/or over and above any other lending limitation contained in the Loan Agreement, and the interest thereon;
 - (4) all amounts which Lender has actually advanced or is contingently liable to advance on account of Letters of Credit; and/or in the event that Lender is not itself the issuer of any Letter of Credit, all amounts which Lender actually advances or is contingently liable to advance to any such issuer on account of the Letters of Credit;
 - (5) the Letter of Credit Obligations;
 - (6) any and all other advances and re-advances made by Lender prior to, on and after the date of this Agreement to, or on the account of, Borrower;
 - (7) any and all interest, commissions, checking account overdrafts, bank overdrafts, and other obligations, liabilities and indebtedness owed by Borrower to Lender (whether direct or indirect, primary, secondary, contingent, joint or several, and regardless of how acquired by Lender) which are due or which will arise or become due in the future, no matter how or when arising and whether under any now existing or future agreement or instrument of whatever nature (i) between Borrower and Lender or (ii) otherwise;

- (8) the performance and fulfillment by Borrower of all the terms, conditions, promises, covenants and provisions contained in the Loan Agreement, or in any now existing agreement or future agreement or instrument of whatever nature (i) between Borrower and Lender or (ii) otherwise;
 - (9) Borrower's obligation to indemnify Lender from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever which Lender may incur (or which may be claimed against Lender by any person or entity whatsoever) by reason of or in connection with the execution and delivery or transfer of, or payment or failure to pay under the Revolving Loan;
 - (10) the amount due upon any notes or other obligations given to, or received by, Lender on account of any of the foregoing;
 - (11) the "Liabilities" defined in the Loan Agreement.
- (2) For purposes of the foregoing, the following terms shall have the following meanings:
- (1) The term "**Lending Formula**" shall have the meaning given that term in the Loan Agreement.
 - (2) The term "**Letter of Credit Obligations**" shall have the meaning given that term in the Loan Agreement.
 - (3) The term "**Letters of Credit**" shall have the meaning given that term in the Loan Agreement.
 - (4) The term "**Loan Value**" shall have the meaning given that term in the Loan Agreement.
 - (5) The terms "**Revolving Loan**" and "**Revolving Note**" shall have the meanings given those terms in the Loan Agreement and shall include all extensions, modifications (including modifications which may increase the amount of the Revolving Loan and the Revolving Note), amendments and renewals thereof.

1.6 "**Trademarks**" means, collectively and individually, each and all of the following:

- (1) trademarks, trade names, trade dress, service marks, prints and labels on which said trademarks, trade names, trade dress and service marks have

appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof, all whether now or hereafter owned or licensed by Borrower, including, but not limited to, those listed on **Schedule A** annexed hereto and made a part hereof; and

- (2) trademarks, trade names, trade dress and service marks, whether now or hereafter owned by Borrower which has not or is not required to be registered or recorded in any jurisdiction; and
- (3) reissues, extensions or renewals thereof and all licenses thereof (including, without limitation, all license agreements).

2. **Security Interest.**

2.1 Borrower, to secure payment and performance of all Obligations of Borrower to Lender, hereby grants Lender a security interest in, all of Borrower's right, title and interest in and to all of the Collateral, and such security interest shall be deemed to include the right (but not the obligation) to sue or recover in the name of Borrower for all damages or profits arising out of past infringement and/or infringement that may arise during the period that this Agreement shall be in force between the parties, on any of the Collateral, or for injury to said goodwill, or acts of unfair competition either under Federal or State Law. The security interest granted herein shall remain in full force and effect until all of the Obligations of Borrower to Lender are fully paid and satisfied.

2.2 The security interest granted pursuant to this Agreement shall create a continuing security interest in the Collateral which shall (a) remain in full force and effect until payment in full in cash or in another manner acceptable to Lender and termination of the Obligations of Borrower to Lender, (b) be binding upon and inure to the benefit of, and be enforceable by, Borrower, its successors and assigns, and (c) be binding upon and inure to the benefit of, and be enforceable by, Lender and its successors, transferees and assigns.

2.3 Upon the payment in full in cash or in another manner acceptable to Lender and termination of the Obligations of Borrower to Lender then outstanding, this Agreement shall terminate and all rights granted as security in the Collateral to Lender shall revert to Borrower. Upon any such termination, Lender will, at Borrower's expense, execute and deliver to Borrower such documents as Borrower shall reasonably request to evidence such termination.

- ## 3. **Representations, Warranties and Covenants of Borrower.** Borrower hereby represents, warrants, covenants and agrees as follows:

3.1 **Title to the Trademarks.** Borrower has sole, exclusive, full, clear and unencumbered right, title and interest in and to the Trademarks and the registrations of the Trademarks are valid and subsisting and in full force and effect. The Trademarks have not been abandoned, suspended, voluntarily terminated or cancelled by Borrower and, to the best of Borrower's knowledge, have not been adjudged invalid or unenforceable.

3.2 **Use of the Trademarks.** Except to the extent that (a) Lender, upon prior written notice by Borrower, shall consent, or (b) Borrower determines in its reasonable business judgment that a Trademark of Borrower has negligible economic value and such Trademark is no longer utilized in the ordinary course of Borrower's business, Borrower (either itself or through licensees) has used and will continue to use the Trademarks on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain the Trademarks in full force free from any claim of abandonment for non-use and Borrower will not (and will not permit any licensee thereof to) do any act or knowingly omit to do any act whereby any of the Trademarks may become invalidated, abandoned, unenforceable, avoided, avoidable or otherwise diminished in value, and shall notify Lender immediately if it knows of any reason or has reason to know of any ground under which any of the foregoing may occur.

3.3 **License or Assignment of Trademarks.** Borrower shall not license or assign any of the Trademarks to any party without the prior written consent of Lender.

3.4 **Existing Patents.** Borrower, as of the date hereof, owns no patents or patent applications, nor is Borrower a party to any license agreement granting any right to use or practice any invention on which a patent is in existence. In the event any patent is developed or otherwise acquired by Borrower, Borrower shall grant to Lender a security interest in all of Borrower's right, title and interest in and to the patents, pursuant to a security agreement in form and substance similar to this Agreement and will execute any agreements, instruments, documents and papers as Lender may reasonably request to evidence Lender's interest in such patent and the goodwill and general intangibles of Borrower relating thereto or represented thereby.

3.5 **Further Assurances.** Borrower will perform all acts and execute all further instruments and documents, including, without limitation, assignments for security in form suitable for filing with the United States Patent and Trademark Office, reasonably requested by Lender at any time to evidence, perfect, maintain, record and enforce Lender's interest in the Collateral or otherwise in furtherance of the provisions of this Agreement, and Borrower hereby authorizes Lender to execute and file (with or without the signature of Borrower) one or more financing statements (and similar documents) or copies thereof or this Agreement with respect to the Collateral signed only by Lender.

3.6 **Costs and Expenses.** Borrower shall pay on demand all reasonable and necessary expenses and expenditures of Lender, including, without limitation, reasonable attorney's fees and expenses, incurred or paid by Lender in protecting, enforcing or exercising its interests, rights or

remedies created by, connected with or provided in this Agreement, or performance pursuant to this Agreement.

3.7 **Pledge of Additional Patents and Trademarks.** In the event Borrower, either itself or through any agent, employee, licensee or designee shall:

- (1) file an application for the registration of any patent or Trademark with the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof; or
- (2) file any assignment of any patent or Trademark which Borrower may acquire, own or license from a third party, with the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof;

Borrower shall promptly, but in no event more than thirty (30) days subsequent to such filing, notify Lender thereof, and, upon request of Lender shall promptly, but in no event more than twenty (20) days subsequent to such request, execute and deliver any and all agreements, instruments, documents and papers as Lender may reasonably request to evidence Lender's security interest in such patent or Trademark and the good will and general intangibles of Borrower relating thereto or represented thereby. Borrower hereby grants Lender a power of attorney, irrevocable until the Obligations of Borrower to Lender are fully paid and satisfied, to modify this Agreement by amending **Schedule A** and **Schedule B**, as applicable, to include any future Trademarks or Licenses, including, without limitation, registrations or applications appurtenant thereto.

3.8 **Borrower's Authority, Etc.** Borrower has the right and power to mortgage and pledge the Collateral, and to grant the security interest in the Collateral herein granted; and the Collateral is not now, and at all times hereafter will not be subject to any liens, licenses, pledges, assignments, registered license agreements, covenants not to use by Borrower or other encumbrance of any nature whatsoever, and Borrower has not received any notice from any third party claiming any right or interest in and to any of the Collateral or that Borrower's use thereof infringes the rights of any third party.

3.9 **Negative Pledge.** Borrower will not, without the prior written consent of Lender, assign (by operation of law or otherwise), sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest or lien upon, grant an exclusive or non-exclusive license upon (other than those existing Licenses, if any, listed on **Schedule B** annexed hereto and made a part hereof), or otherwise encumber, grant rights to any other person upon or dispose of any of the Collateral, and nothing in this Agreement shall be deemed a consent by Lender to any such action except as expressly permitted herein. Borrower shall defend the Collateral against and shall take such other action as is necessary to remove any lien, security interest, claim, right or other encumbrance of any nature

whatsoever in or to the Collateral, and will defend the right, title and interest of Lender in and to any of Borrower's rights under the Collateral against the claims or demands of all persons whomsoever.

3.10 **No Additional Trademarks.** As of the date hereof, Borrower does not own any Trademarks, or have any Trademarks registered in or the subject of pending applications in the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, other than those grants, registrations or applications for registrations listed on **Schedule A** annexed hereto and made a part hereof.

3.11 **Additional Further Assurances.** Borrower will take all necessary steps in any proceeding before the United States Patent and Trademark Office or any similar office or agency in any other country, or any political subdivision thereof (i) to maintain each registration and grant of the Trademarks and Licenses, and (ii) in accordance with its reasonable business judgment and at its expense, to halt any infringement of the Trademarks and shall properly exercise its duty to control the nature and quality of the goods offered by any licensees in connection with the Licenses.

3.12 **Responsibility and Liability.** Borrower assumes all responsibility and liability arising from the use of the Trademarks and Licenses, and hereby indemnifies and holds Lender and each director, officer, employee, affiliate and agent thereof, harmless from and against any claim, suit, loss, damage or expense (including attorneys' fees and expenses) arising out of any alleged defect in any product manufactured, promoted or sold by Borrower in connection with any of the Trademarks or otherwise arising out of Borrower's operation of its business from the use of the Trademarks. In any suit, proceeding or action brought by Lender under any License for any sum owing thereunder, or to enforce any provisions of such License, Borrower will indemnify and keep Lender harmless from and against all expense, loss or damage suffered by reason of any defense, set off, recoupment, claim, counterclaim, reduction or liability whatsoever of the obligee thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from Borrower, and all such obligations of Borrower shall be and remain enforceable against and only against Borrower and shall not be enforceable against Lender.

3.13 **Lender's Rights.** Lender may, in its sole discretion, pay any amount or do any act required of Borrower hereunder or requested by Lender to preserve, defend, protect, maintain, record or enforce Borrower's obligations contained herein, the Obligations of Borrower to Lender, the Collateral, or the right, title and interest granted Lender herein, and which Borrower fails to do or pay, and any such payment shall be deemed an advance by Lender to Borrower and shall be payable on demand together with interest thereon at the default rate as specified in the Loan Agreement.

3.14 **Protection of the Trademarks.** Borrower agrees that if it learns of any use by any person of any term or design likely to cause confusion with any Trademark, or of any claim of any lien, security interest, claim, right or other encumbrance of any nature whatsoever in or to the Collateral, Borrower shall promptly notify Lender of such use, lien, security interest, claim, right or other encumbrance and, if requested by Lender, shall join with Lender, at Borrower's expense, in such action as Lender, in its reasonable discretion, may deem advisable for the protection of Lender's

interest in and to the Trademarks, it being understood that the foregoing shall not preclude Borrower from bringing an action against a person for the protection of Borrower's interest in and to such Trademarks.

4. **Lender's Appointment as Attorney-in-Fact.**

4.1 Borrower 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 irrevocable power and authority in the place and stead of Borrower and in the name of Borrower or 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 Borrower, to do the following:

- (a) to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Agreement or the Loan Agreement and to pay all or any part of the premiums therefor and the costs thereof;
- (b) upon the occurrence of an Event of Default:
 - (1) to ask, demand, collect, receive and give acquittances and receipts for any and all moneys due and to become due under any Licenses and, in the name of Borrower or in 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 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 whatsoever;
 - (2) 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;
 - (3) 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 Collateral;
 - (4) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction, to collect the

Collateral or any part thereof and to enforce any other right in respect of any Collateral;

- (5) to defend any suit, action or proceeding brought against Borrower with respect to any Collateral;
- (6) 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;
- (7) generally, to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral 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 Collateral and Lender's security interest therein, in order to effect the intent of this Agreement, all as fully and effectively as Borrower might do.

4.2 This power of attorney is a power coupled with an interest and shall be irrevocable. Notwithstanding the foregoing, Borrower 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.

4.3 The powers conferred on Lender hereunder are solely to protect Lender's interests in the Collateral and shall not impose any duty upon Lender 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 Lender nor any of its officers, directors, employees or agents shall be responsible to Borrower for any act or failure to act, except for Lender's own gross negligence or willful misconduct.

4.4 Borrower also authorizes Lender to execute, in connection with any sale provided for in this Agreement, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

5. **Events of Default.** The occurrence of any one or more of the following shall constitute an Event of Default under this Agreement:

- 5.1 the occurrence of any Default or Event of Default under the Loan Agreement;
- 5.2 a breach by Borrower of any covenant contained in this Agreement;

5.3 if any warranty or representation contained in this Agreement, including, without limitation, the warranties and representations contained in Section 3 of this Agreement, shall be incorrect in any material respect.

6. **Remedies.** Upon the occurrence of an Event of Default, in addition to all other rights and remedies of Lender, whether under law, in equity or otherwise (all such rights and remedies being cumulative, not exclusive and enforceable alternatively, successively or concurrently):

6.1 Lender shall have all of the rights and remedies set forth in the Loan Agreement.

6.2 Immediately upon Lender's written request, Borrower shall not make any further use of the Trademarks or any mark similar thereto for any purposes.

6.3 Lender may, at any time and from time to time, license, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any of the Trademarks, throughout the world for such term or terms, on such conditions, and in such manner, as Lender shall in its sole discretion determine.

6.4 Lender may (without assuming any obligations or liability thereunder), at any time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of Borrower in, to and under any one or more license agreements with respect to the Collateral, including, without limitation the Licenses, and take or refrain from taking any action under any license or sublicensee thereof, and Borrower hereby releases Lender from, and agrees to hold Lender free and harmless from and against, any claims arising out of any action taken or omitted to be taken with respect to any such license agreements.

6.5 Lender may foreclose upon the Collateral for the purpose of using, assigning, selling or otherwise disposing of the Collateral or any of it, either with or without special or other conditions or stipulations, and record any documents with the United States Patent and Trademark Office necessary to evidence Lender's ownership in the Collateral.

6.6 Lender may appear before the United States Patent and Trademark Office as owner of the Collateral, without recording or filing any documents to evidence Lender's ownership in the Collateral.

6.7 Whether or not Lender forecloses upon the Collateral in accordance with this Agreement, Lender may, at any time and from time to time, assign, sell, or otherwise dispose of, the Collateral or any of it either with or without special or other conditions or stipulations, with power to buy the Collateral or any part of it, and with power also to execute assurances, and do all other acts and things for completing the assignment, sale or disposition which Lender shall, in its sole discretion, deem appropriate or proper.

6.8 In addition to the foregoing, in order to implement the assignment, sale or other disposal of any of the Collateral, Lender may, at any time, pursuant to the authority granted in the Power of Attorney in the form of **Schedule C** annexed hereto and made a part hereof (such authority being effective on the occurrence of an Event of Default), execute and deliver on behalf of Borrower, one or more instruments of assignment of the Trademarks (or any application or registration thereof), in form suitable for filing, recording or registration in any country. Borrower agrees to pay when due all reasonable costs and expenses incurred in any such transfer of the Trademarks, including any taxes, fees and reasonable attorneys' fees, and all such costs shall be added to the Obligations of Borrower to Lender. Lender may apply the proceeds actually received from any such license, assignment, sale or other disposition to the payment of the Obligations of Borrower to Lender as provided for in the Loan Agreement. Borrower shall remain liable for any deficiency with respect to the Obligations of Borrower to Lender, which shall bear interest and be payable at the Default Rate under the Loan Agreement. The rights of Borrower to receive any surplus shall be subject to any duty of Lender imposed by law to the holder of any subordinate security interest in the Collateral known to Lender. Nothing contained herein shall be construed as requiring Lender to take any such action at any time.

7. **Execution of Special Power of Attorney.** Concurrently with the execution and delivery of this Agreement, Borrower is executing and delivering to Lender a certain Power of Attorney, in the form of **Schedule C** annexed hereto and made a part hereof, for the implementation of the sale, assignment, licensing or other disposition of the Collateral pursuant to this Agreement.

8. **Amendments and Modification.** No provision hereof shall be modified, altered, waived or limited except by a written instrument expressly referring to this Agreement and executed by the party to be charged.

9. **Binding Nature.** This Agreement shall be binding upon and inure to the benefit of the successors, assigns or other legal representatives of Borrower, and shall, together with the rights and remedies of Lender hereunder, be binding upon and inure to the benefit of Lender, successors, assigns or other legal representatives.

10. **GOVERNING LAW.** THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF.

11. **Notices.** All notices, requests, demands and other communications provide for hereunder shall be in writing (unless otherwise expressly provided herein) and shall be sent and deemed to have been received as set forth in the Loan Agreement.

12. **Counterparts.** This Agreement may be executed in counterparts, each of which, when taken together, shall be deemed one and the same instrument.

13. **Headings.** Section headings herein are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

14. **Acknowledgment of Receipt.** Borrower acknowledges receipt of a copy of this Agreement.

15. **No Waiver.** No course of dealing between Borrower and Lender, and no delay or omission of Lender in exercising or enforcing any of Lender's rights and remedies hereunder shall constitute a waiver thereof; and no waiver by Lender of any Event of Default shall operate as a waiver of any other Event of Default.

16. **Severability.** If any of the provisions of this Agreement shall contravene or be held invalid under the laws of any jurisdiction, this Agreement shall be construed as if not containing such provisions and the rights, remedies, warranties, representations, covenants, and provisions hereof shall be construed and enforced accordingly in such jurisdiction and shall not in any manner affect such provision in any other jurisdiction, or any other provisions of this Agreement in any jurisdiction.


17. **Interest Granted to Lender.** Notwithstanding any provision of this Agreement to the contrary, the interest granted to Lender under this Agreement is intended to be a pledge and a security interest only, and the execution of this Agreement is not intended to create an assignment or a transfer of title or any other property rights to the Trademarks.

18. **WAIVER OF JURY TRIAL. BORROWER AGREES (AND BY ITS ACCEPTANCE OF THIS AGREEMENT, LENDER ALSO AGREES) THAT ANY SUIT, ACTION OR PROCEEDING, WHETHER CLAIM OR COUNTERCLAIM, BROUGHT BY LENDER OR BORROWER ON OR WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE DEALINGS OF THE PARTIES WITH RESPECT HERETO OR THERETO, SHALL BE TRIED ONLY BY A COURT AND NOT BY A JURY. BORROWER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND INTELLIGENTLY, AND WITH THE ADVICE OF BORROWER'S COUNSEL, WAIVES (AND BY ITS ACCEPTANCE OF THIS AGREEMENT, LENDER ALSO WAIVES), TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. FURTHER, BORROWER WAIVES ANY RIGHT BORROWER MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL OR OTHER DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. BORROWER ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS AGREEMENT AND THAT LENDER WOULD NOT EXTEND CREDIT TO BORROWER IF THE WAIVERS SET FORTH IN THIS SECTION WERE NOT A PART OF THIS AGREEMENT.**


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

ATTEST:

ADMIRAL CRAFT EQUIPMENT CORP.



Basil Minickene, Corporate Secretary

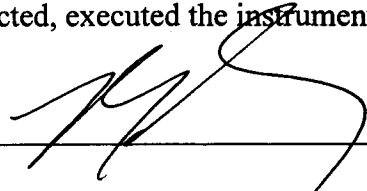
By: 

Matthew Lobman, President

ACKNOWLEDGMENT

STATE OF NEW YORK)
) SS.:
COUNTY OF NASSAU)

On October 1, 2007, before me, the undersigned, personally appeared **Matthew Lobman**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacities as set forth therein, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



BRETT P. GARVER
Notary Public, State of New York
No. 02GA6066940
Qualified in Nassau County
Commission Expires November 26, 20⁰⁷

SCHEDULE A, Page 1 of 1 Page

List of Trademarks

Serial or Registration No.	Mark	Filing Date	Country	Registration Date
Serial No. 76435267	ADVANTAGE SERIES	July 26, 2002	United States of America	
Serial No. 76433051	GET-A-GRIP ADCRAFT	July 26, 2002	United States of America	
Serial No. 76504377	ADCRAFT	April 1, 2003	United States of America	
Serial No. 76504379	ADCRAFT	April 1, 2003	United States of America	
Registration No. 2491962	NEST-WELL		United States of America	September 25, 2001
Registration No. 2400009	GAUCHO		United States of America	October 31, 2000
Registration No. 2397831	BLACK STREER		United States of America	October 24, 2000

SCHEDULE B

Licenses

None

SCHEDULE C

Special Power of Attorney

SPECIAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that **ADMIRAL CRAFT EQUIPMENT CORP.**, a corporation of the State of New York with its principal place of business located at 940 South Oyster Bay Road, Hicksville, New York 11801 (the "**Borrower**"), pursuant to a certain Trademark and Tradename Security Agreement of even date herewith (the "**Security Agreement**"), hereby appoints and constitutes **SOVEREIGN BANK**, a federal savings bank organized under the laws of the United States with offices at 101 Wood Avenue South, Sixth Floor, Iselin, New Jersey 08830 (together with any entity which now or hereafter directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, **SOVEREIGN BANK**, and all successors and assigns of the foregoing hereinafter collectively referred to as the "**Lender**"), its true and lawful attorney, with full power of substitution, and with full power and authority to perform the following acts on behalf of Borrower, in accordance with the terms and provisions of the Security Agreement:

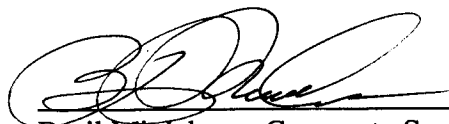
1. Assigning, selling or otherwise disposing of all right, title and interest of Borrower in and to the Trademarks listed on Schedule A annexed to the Security Agreement, and including those trademarks and patents which may be added to the same subsequent to the date of this Special Power of Attorney, and all registrations and recordings thereof, and all pending applications therefor, and for the purpose of the recording, registering and filing of, or accomplishing any other formality with respect to the foregoing, and to execute and deliver any and all other agreements, documents, instruments or assignment or other papers necessary or advisable to effect such purpose, in each case, in accordance with the terms and provisions of the Security Agreement; and

2. To execute any and all documents, statements, certificates or other papers necessary or advisable in order to obtain the purposes described above as Lender may in its sole discretion determine.

This Special Power of Attorney is made pursuant to the Security Agreement and may not be revoked until the Obligations, as such term is defined in the Security Agreement, of Borrower to Lender are fully paid and satisfied.

IN WITNESS WHEREOF, Borrower has executed and delivered this Special Power of Attorney on October 1, 2007.

ATTEST:


Basil Minickene, Corporate Secretary

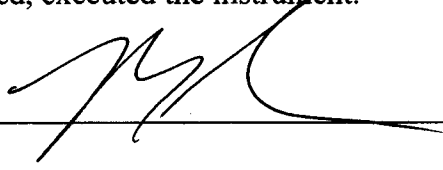
ADMIRAL CRAFT EQUIPMENT CORP.

By: 
Matthew Lobman, President

ACKNOWLEDGMENT

STATE OF NEW YORK)
) SS.:
COUNTY OF NASSAU)

On ~~October 1~~, ^{September 27,} 2007, before me, the undersigned, personally appeared **Matthew Lobman**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacities as set forth therein, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



BRETT P. GARVER
Notary Public, State of New York
No. 02GA6066940
Qualified in Nassau County
Commission Expires November 26, 2027