

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
The Setai Group, LLC		07/31/2008	LIMITED LIABILITY COMPANY: NEW YORK
RECEIVING PARTY DATA			
Name:	LehmanBrothers Holdings Inc.		
Street Address:	399 Park Avenue		
Internal Address:	8th Floor		
City:	New York		
State/Country:	NEW YORK		
Postal Code:	10022		
Entity Type:	CORPORATION: DELAWARE		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	2506974	THE SETAI	
Registration Number:	2506966	THE SETAI GROUP	
CORRESPONDENCE DATA			
Fax Number:	(212)262-1215		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	212-237-1046		
Email:	tbanahan@windelsmarx.com		
Correspondent Name:	Thomas A. Banahan		
Address Line 1:	156 West 56th Street		
Address Line 2:	Windels Marx Lane & Mittendorf, LLP		
Address Line 4:	New York, NEW YORK 10019		
NAME OF SUBMITTER:	Thomas A. Banahan		
Signature:	/Thomas A. Banahan/		

OP \$65.00 2506974

Date:

08/20/2008

Total Attachments: 12

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Trademark Security Agreement

THIS TRADEMARK SECURITY AGREEMENT (this "**Agreement**"), dated as of July 31, 2008, between **THE SETAI GROUP, LLC**, a limited liability company organized and existing under the laws of the State of New York (the "**Debtor**"), and **LEHMAN BROTHERS HOLDINGS INC.**, doing business as Lehman Capital, a division of Lehman Brothers Holdings Inc., a Delaware corporation (the "**Secured Party**").

Debtor and Secured Party hereby agree as follows:

SECTION 1. Definitions; Interpretation.

(a) **Terms Defined in Loan Agreement.** All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

(b) **Certain Defined Terms.** As used in this Agreement, the following terms shall have the following meanings:

"Collateral" has the meaning set forth in Section 2.

"Loan Agreement" means that certain Loan Agreement, dated as of February 9, 2004, by and among Debtor, NC Land Corporation, a Bahamian corporation ("**NC Land**"), and Secured Party, as amended by a First Amendment to Loan Agreement, dated as of December 10, 2004, and as further amended by that certain Agreement Regarding Loan, dated as of the date hereof, entered into by Debtor, NC Land and Secured Party.

"PTO" means the United States Patent and Trademark Office.

"Trademark License Agreement" means that certain Second Amended and Restated Trademark License Agreement dated as of April 30, 2007, between Debtor, as licensor, and Setai Owners LLC, a Delaware limited liability company ("**Setai Owners**"), as licensee.

"UCC" means the Uniform Commercial Code as in effect in the State of New York.

(c) **Terms Defined in UCC.** Where applicable in the context of this Agreement and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(d) **Construction.** In this Agreement, the following rules of construction and interpretation shall be applicable: (i) no reference to "proceeds" in this Agreement authorizes any sale, transfer, or other disposition of any Collateral by Debtor; (ii) "includes" and "including" are not limiting; (iii) "or" is not exclusive; and (iv) "all" includes "any" and "any" includes "all." To the extent not inconsistent with the foregoing, the rules of construction and interpretation

applicable to the Loan Agreement shall also be applicable to this Agreement and are incorporated herein by this reference.

SECTION 2. Security Interest.

(a) **Grant of Security Interest.** As security for the payment and performance of the obligations under the Loan Agreement, Debtor hereby grants to Secured Party a first security interest in, and a mortgage upon, all of Debtor's right, title and interest in, to and under the following property, in each case whether now or hereafter existing or arising or in which Debtor now has or hereafter owns, acquires or develops an interest and wherever located (collectively, the "**Collateral**"):

- (i) all state (including common law) and federal trademarks, service marks, and trade names, and applications for registration of such trademarks, service marks and trade names relating to the name "*Setai*" (but excluding any application to register any trademark, service mark, trade name, or other mark prior to the filing under applicable law of a verified statement of use (or the equivalent) for such trademark, service mark, trade name, or other mark, only to the extent the creation of a security interest therein or the grant of a mortgage thereon would void or invalidate such trademark, service mark, trade name, or other mark) (each, a "**Mark**" and collectively the "**Marks**"), including but not limited to those Marks listed on Schedule A attached hereto;
- (ii) all licenses relating to any of the Marks, and all income and royalties with respect to any licenses (including such Marks, names and applications as described in Schedule A), whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;
- (iii) the entire goodwill of or associated with the businesses now or hereafter conducted by Debtor connected with and symbolized by any of the aforementioned properties and assets;
- (iv) all general intangibles and all intangible intellectual or other similar property of Debtor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and
- (v) all proceeds of any and all of the foregoing Collateral (including license royalties, rights to payment, accounts receivable and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral.

(b) **Continuing Security Interest.** Debtor agrees that this Agreement shall create a continuing security interest in the Collateral, which shall remain in effect until terminated in accordance with Section 11.

(c) **Conditional Assignment.** In addition to, and not by way of limitation of, the grant of a security interest in the Collateral, Debtor hereby grants, assigns, transfers, and conveys to Secured Party the Collateral; *provided, however*, that such grant, assignment, transfer, and conveyance shall be and become of force and effect only upon the occurrence of an Event of Default by Debtor under the Loan Agreement and either (i) upon the written demand of Secured Party at any time during a continuance of any default in connection with the Secured Party's enforcement of its rights, or (ii) immediately and automatically (without notice or action of any kind by Secured Party) upon an Event of Default by Debtor under the Loan Agreement or upon the sale or other disposition of or foreclosure upon the Collateral pursuant to the Uniform Commercial Code (including, without limitation, the transfer or other disposition of the Collateral by Debtor to Secured Party in lieu of foreclosure). Upon the effectiveness of such grant, assignment, transfer, and conveyance, Secured Party may (but shall not be obligated to) grant to Debtor, its successors, and permitted assigns, a worldwide, royalty-free, transferable and sublicenseable, fully paid up right, terminable at any time, to: (y) make, use, offer for sale, design, reproduce, make derivative works from, publicly display, and publicly distribute the Collateral, and (z) use the Collateral in conjunction with its regular business operations. Upon the effectiveness of the grant, assignment, transfer, and conveyance provided herein, Secured Party shall own the entire right, title, and interest in and to the Collateral, free and clear of any lien, charge, encumbrance, or claim of Debtor or any other party, except for the rights of Setai Owners as set forth in the Trademark License Agreement.

SECTION 3. Supplement to Loan Agreement. This Agreement has been entered into in conjunction with the security interests granted to Secured Party under the Loan Agreement or other security documents referred to therein. The rights and remedies of Secured Party with respect to the security interests granted herein are without prejudice to, and are in addition to those set forth in the Loan Agreement or any other security documents referred to therein, all terms and provisions of which are incorporated herein by reference.

SECTION 4. Representations and Warranties. Debtor represents and warrants to Secured Party that:

(a) **Trademarks.** A true and correct list of all of the existing Collateral consisting of U.S. trademarks, trademark registrations or applications owned by Debtor, in whole or in part, is set forth in Schedule A.

(b) **Power and Authority.** Debtor has the full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery, and performance of this Agreement will not conflict with or contravene any contractual provision binding on Debtor.

(c) **Sole Owner.** Debtor is the sole and exclusive owner of the entire legal and beneficial right, title, and interest in and to the Collateral, free and clear of any liens, charges,

security interest, or other encumbrance, except for the rights of Setai Owners as set forth in the Trademark License Agreement.

(d) **Validity.** The Collateral and its related rights are subsisting, have not been adjudged invalid or unenforceable, and there are no pending or threatened claims by any third parties that any of the rights related to the Collateral are invalid or unenforceable. There is not on file in any governmental or regulatory authority, agency, or recording office any effective financing statement, security agreement, assignment, license, or transfer or notice of any of the foregoing (other than the Trademark License Agreement and those that may have been filed in favor of Secured Party) covering any of the Collateral, and Debtor is not aware of any such filing other than those for which duly executed termination statements have been delivered to Secured Party. So long as this Agreement shall be in effect, Debtor shall not execute and shall not permit to be on file in any such office or agency any such financing statement or other document or instrument (except for the Trademark License Agreement and any financing statements or other documents or instruments filed or to be filed in favor of Secured Party).

(e) **No Third Party Rights.** Subject to the rights of Setai Owners under the Trademark License Agreement, no claim has been made that, upon closing under the Loan Agreement, Debtor's use of any of the Collateral may violate the rights of any third party. There have been no adverse decisions with respect to Debtor's ownership rights in or exclusive rights to use the Collateral on or after the closing under the Loan Agreement, or to its right, to use and register the Collateral in any jurisdiction, or to keep and maintain such registrations in full force and effect. There is no proceeding involving said future rights of Debtor threatened or pending in the PTO or any similar office or agency of the United States or any foreign country, or any state or foreign country or in any court.

(f) **No Adverse Decisions.** Debtor shall promptly notify Secured Party of the institution of and any adverse decision in any proceeding in the PTO or any similar office or agency of the United States or any state or any foreign country, or any court, regarding Debtor's claim of ownership in any of the Collateral, its right to register any of the same, or to keep and maintain any such registration.

(g) **Policing of Marks.** Debtor shall use the Collateral in its business in the same or similar manner as it has been used in the past, with the same requirements and quality standards as in the past have been and now are applicable to its goods and services. Debtor shall use the Collateral only with the statutory and other appropriate notices of the registrations and ownership thereof. Debtor shall take all necessary and appropriate actions to insure that none of the Collateral shall become generic or merely descriptive.

(h) **No Unauthorized Use.** To the best of Debtor's knowledge and belief, there is at present no infringement or unauthorized or improper use of the Collateral. Debtor shall use its best efforts to detect any such infringement or unauthorized or improper use. In the event of any such infringement or unauthorized or improper use by any third party, Debtor shall promptly notify Secured Party and shall have the first opportunity to sue and recover therefor and to retain any and all damages so recovered or obtained. In the event Debtor fails to so sue or bring legal action, Debtor shall notify Secured Party within thirty (30) days after the date of original notice

to Debtor of infringement or unauthorized or improper use and, thereafter, Secured Party shall save the right (but not the obligation), at Debtor's expense (including but not limited to reasonable attorneys' fees), and in the name of Debtor or Secured Party (in the sole discretion of Secured Party), to sue and recover therefor and obtain directly any and all damages recoverable on account thereof; any expenses incurred by Secured Party in any such case shall be added to the principal amount of the obligations under the Loan Agreement. Notwithstanding the foregoing, Debtor has informed Lender that a jewelry maker has filed an application in the PTO for use of the "Setai" name in connection with jewelry and other metallurgic items. If such application is granted and a trademark lawyer selected by Debtor determines that use of the "Setai" name for jewelry and other metallurgic items would constitute an infringement or unauthorized or improper use of the "Setai" name by such applicant, then Debtor shall notify Secured Party and commence a legal action to enjoin such use and recover damages for same, which damages, if awarded, shall constitute part of the Collateral hereunder.

(i) **Records.** Debtor will diligently keep complete and accurate records with respect to the Collateral, and will at all times keep at least one set or such records at its chief executive office or principal place of business. Debtor shall, upon reasonable prior notice by Secured Party and at reasonable times, permit Secured Party (or Secured Party's designee) from time to time to review, inspect, and examine such records.

SECTION 5. Further Acts. On a continuing basis, Debtor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, and take all such action as may be necessary or advisable or may be requested by Secured Party to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure Debtor's compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing with the PTO or any applicable state office. Secured Party may record this Agreement, an abstract thereof, or any other document describing Secured Party's interest in the Collateral with the PTO, at the expense of Debtor. In addition, Debtor authorizes Secured Party to file financing statements describing the Collateral in any UCC filing office deemed appropriate by Secured Party. If Debtor shall at any time hold or acquire a commercial tort claim arising with respect to the Collateral, Debtor shall immediately notify Secured Party in a writing signed by Debtor of the brief details thereof and grant to Secured Party in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to Secured Party.

SECTION 6. Authorization to Supplement. If Debtor shall obtain rights to any new Marks, the provisions of this Agreement shall automatically apply thereto. Debtor shall give prompt notice in writing to Secured Party with respect to any such new Marks or renewal or extension of any Mark registration. Without limiting Debtor's obligations under this Section 6, Debtor authorizes Secured Party to modify this Agreement by amending Schedule A to include any such new rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule A shall in any way affect, invalidate or detract from Secured Party's continuing security interest in all Collateral, whether or not listed on Schedule A. In the event any pending

or hereafter filed application for Mark registration, other than a renewal of a trademark registration, has been rejected by the PTO or any other trademark office or agency and Debtor determines in its reasonable business judgment that further prosecution of such application is not warranted, Debtor shall promptly notify Secured Party thereof in writing and may cease to prosecute such application thirty (30) days after such notice.

SECTION 7. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor, Secured Party and their respective successors and assigns. Debtor may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder except as specifically permitted by the Loan Agreement.

SECTION 8. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York, except as required by mandatory provisions of law or to the extent the validity, perfection or priority of the security interests hereunder, or the remedies hereunder, in respect of any Collateral are governed by the law of a jurisdiction other than New York.

SECTION 9. Entire Agreement; Amendment. This Agreement and the Loan Agreement, together with the Schedules hereto and thereto, contain the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties, as provided in the Loan Agreement. Notwithstanding the foregoing, Secured Party unilaterally may re-execute this Agreement or modify, amend or supplement the Schedules hereto as provided in Section 6 hereof. To the extent that any provision of this Agreement conflicts with any provision of the Loan Agreement, the provision giving Secured Party greater rights or remedies shall govern, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to Secured Party under the Loan Agreement.

SECTION 10. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile shall be equally as effective as delivery of a manually executed counterpart. Any party hereto delivering a counterpart of this Agreement by facsimile shall also deliver a manually executed counterpart, but the failure to so deliver a manually executed counterpart shall not affect the validity, enforceability, or binding effect hereof.

SECTION 11. Termination. Upon payment and performance in full of all obligations under the Loan Agreement and the notes and other loan documents referenced therein, the security interests created by this Agreement shall terminate and Secured Party (at Debtor's expense) shall promptly execute and deliver to Debtor such documents and instruments reasonably requested by Debtor as shall be necessary to evidence termination of all such security interests given by Debtor to Secured Party hereunder, including cancellation of this Agreement by written notice from Secured Party to the PTO.

SECTION 12. Indemnification. In addition to, and not in limitation of, the general indemnifications set forth in the Loan Agreement, Debtor shall indemnify, defend, and hold harmless Secured Party from and against, and shall pay to Secured Party any and all claims, actions, suits, judgments, penalties, losses, damages, costs, disbursements, expenses, obligations, or liabilities of any kind or nature (except those resulting from Secured Party's gross negligence or willful misconduct) arising in any way out of or in connection with this Agreement, the Collateral, custody, preservation, use, or operation of the Collateral, any alleged infringement of the intellectual property rights of any third party, the production, marketing, delivery, and sale of the goods and services provided under or in connection with any of the Collateral or the sale of, collection from, or other realization upon any of the Collateral, the failure of Debtor to perform or observe any of the provisions hereof, or matters related to any of the foregoing prior to the effectiveness of the grant, assignment, transfer, and conveyance provided for herein. Debtor shall also indemnify and hold harmless Secured Party from and against any and all claims, actions, suits, judgments, penalties, losses, damages, disbursements, expenses, obligations, or liabilities arising out of or in connection with any improper act or omission of Debtor (regardless of whether such act or omission occurred or occurs prior to or after such effectiveness). Any and all fees, costs, and expenses, of whatever kind or nature, including but not limited to fees and disbursements of counsel and of any experts and agents, incurred by Secured Party in connection with the filing or recording of any documents in public offices, the payment or discharge of any taxes, maintenance fees, or encumbrances, or otherwise protecting, maintaining or preserving the Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Collateral, or in exercising or enforcing any right or remedy granted to Secured Party hereunder, shall be borne and paid by Debtor.

SECTION 13. No Inconsistent Requirements. Debtor acknowledges that this Agreement and the other documents, agreements and instruments entered into or executed in connection herewith may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

SECTION 14. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

SECTION 15. Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Loan Agreement.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

[Signature Page to Trademark Security Agreement]

IN WITNESS WHEREOF, the parties hereto have duly executed this Trademark Security Agreement, as of the date first above written.

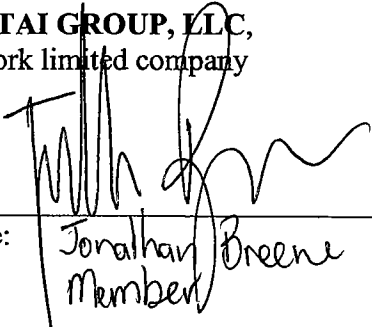
DEBTOR:

THE SETAI GROUP, LLC,
a New York limited company

By: _____

Name:

Title:


Jonathan Breene
Member

SECURED PARTY:

LEHMAN BROTHERS HOLDINGS INC.,
doing business as Lehman Capital, a division of
Lehman Brothers Holdings Inc., a Delaware
corporation

By: _____

Name:

Title: Authorized Signatory

[Signature Page to Trademark Security Agreement]

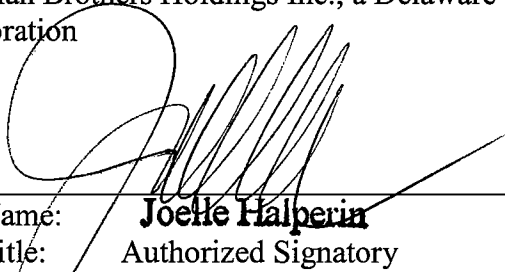
IN WITNESS WHEREOF, the parties hereto have duly executed this Trademark Security Agreement, as of the date first above written.

DEBTOR:
THE SETAI GROUP, LLC,
a New York limited company

By: _____
Name:
Title:

SECURED PARTY:
LEHMAN BROTHERS HOLDINGS INC.,
doing business as Lehman Capital, a division of
Lehman Brothers Holdings Inc., a Delaware
corporation

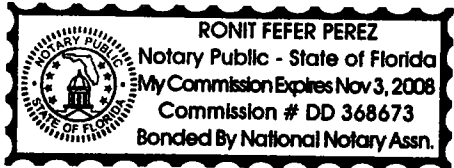
By: _____
Name: **Joelle Halperin**
Title: Authorized Signatory



ACKNOWLEDGMENTS

STATE OF FLORIDA)
)
COUNTY OF MIAMI - Dade) ss.:

On the 30 day of SEPT 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared JONATHAN BREENE, 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/she/they executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Ronit Fefer
Notary Public

STATE OF)
)
COUNTY OF) ss.:

On the ____ day of _____ 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, 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/she/they executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

ACKNOWLEDGMENTS

STATE OF)
)
COUNTY OF) ss.:

On the ____ day of _____ 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, 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/she/they executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF **New York**)
)
COUNTY OF **New York**) ss.:

On the 1 day of August 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared Joelle Halperin, 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/she/they executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

DEANNA EMILIO
Notary Public, State of New York
No. 01EM6171082
Qualified in Richmond County
Term Expires July 23, 2011

SCHEDULE A
to the Trademark Security Agreement
Debtor: The Setai Group, LLC

U.S. Trademarks of The Setai Group, LLC

Registration No	Registration Date	Registered Owner	Mark
2,506,974	November 13, 2001	The Setai Group, LLC (formerly known as Metropolitan Development Group, LLC)	The Setai
2,506,966	November 13, 2001	The Setai Group, LLC (formerly known as Metropolitan Development Group, LLC)	The Setai Group

Pending U.S. Trademarks of The Setai Group, LLC

Application No.	Filing Date	Applicant	Mark
Not Applicable			