

FORM PTO-1594 (Rev. 6-93)

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U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office

OMB No. D6E1-0011 (exp. 4/94)

101446479

Tab settings

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

1. Name of conveying party(ies):

PALLET MANAGEMENT SYSTEMS, INC. 2900 Highwoods Boulevard, Ste. 200 Raleigh, North Carolina 27604

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

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

3. Nature of conveyance:

- Assignment, Merger, Security Agreement, Change of Name, Other

Execution Date: March 31, 2000

2. Name and address of receiving party(ies)

Name: LASALLE BUSINESS CREDIT, INC. Internal Address: SUITE 400 Street Address: 135 South LaSalle Street City: Chicago State: IL ZIP: 60603

- Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation-State Delaware, 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 patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2076936 and Serial No. 75/561,544

Additional numbers attached? Yes No

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

Name: Paul G. Neilan Internal Address: DYKEMA GOSSETT Suite 3050 Street Address: 55 East Monroe Street City: Chicago State: IL ZIP: 60603

6. Total number of applications and registrations involved:

2

7. Total fee (37 CFR 3.41) \$ 65.00

- Enclosed PREVIOUSLY TRANSMITTED/ DOCUMENT ID NO. 101363607 Authorized to be charged to deposit account

B. 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.

PAUL G. NEILAN

Name of Person Signing

Signature

8/29/2000

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 Patents & Trademarks, Box Assignments Washington, D.C. 20231

03880

LAW OFFICES

DYKEMA GOSSETT

PROFESSIONAL LIMITED LIABILITY COMPANY

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PAUL G. NEILAN

DIRECT DIAL: (312) 551-4928
E-MAIL: PNEILAN@DYKEMA.COM

August 30, 2000

OVERNIGHT COURIER/MAIL

United States Patent and Trademark Office
Office of Public Records
Assignment Division
Crystal Gateway 4, Room 335
Washington, D.C., 20231
Attn: Ms. Antione Royall

Re: Document ID No. 101363607 – Collateral Assignment of Trademarks

Dear Ms. Royall:

Thank you for your letter of August 18 (copy enclosed), and pursuant thereto I have enclosed the Collateral Assignment of Trademarks accompanied by the required cover sheet. I trust this now meets the filing requirements, but if not please contact me by telephone at the above number. If long distance charges present any issue at all, please call collect and I will gladly accept the charges. Thank you again for your kind assistance in this matter.

Very truly yours,

DYKEMA GOSSETT PLLC



Paul G. Neilan

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TRADEMARK
REEL: 002107 FRAME: 0946

COLLATERAL ASSIGNMENT OF TRADEMARKS

This Collateral Assignment of Trademarks ("Agreement") is made this 31st day of March, 2000 between Pallet Management Systems, Inc. a corporation organized under the laws of the State of Florida whose address is 2900 Highwoods Boulevard, Suite 200, Raleigh, North Carolina 27604 ("Assignor"), and Lasalle Business Credit, Inc. whose address is 135 South LaSalle Street, Suite 400, Chicago, Illinois 60603 ("Lender").

WHEREAS, Assignor and Lender have executed and delivered a certain Loan and Security Agreement dated March 31, 2000, (the "Loan Agreement"), pursuant to which Lender will provide financial accommodation to Assignor; and

WHEREAS, Assignor desires to provide Lender with additional security in consideration of loans made or to be made to it by Lender;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby agrees with Lender as follows:

1. Capitalized terms used in this Agreement and not otherwise defined shall have the same meanings as prescribed in the Loan Agreement.
2. To secure the complete and timely satisfaction of all Liabilities, Assignor hereby collaterally assigns and conveys to Lender, only as security in order to secure any and all obligations and indebtedness of Assignor described in the Loan Agreement, and for collateral purposes only, and grants to Lender a security interest in and to the trademarks and trademark applications, if any, listed in Schedule A hereto, and any registrations and applications for registration thereof including without limitation all proceeds thereof (such as, by way of example, license royalties and proceeds

of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all royalties, continuations, renewals, extensions and goodwill associated therewith (collectively called the "Trademarks"). The assignment is given as collateral to secure payment in full of all Liabilities of Assignor in accordance with the Loan Agreement.

3. Assignor covenants and warrants that:

(a) Assignor is using the Trademarks in its business, and will continue to use the Trademarks in its business;

(b) To the best of Assignor's knowledge, and except as otherwise disclosed to Lender in the Loan Agreement, each of the Trademarks is valid and enforceable and Assignor has notified Lender in writing of all licenses or other uses of the Trademarks (including public uses and sales) of which it is aware;

(c) Except as otherwise disclosed to Lender in the Loan Agreement, Assignor is the sole and exclusive owner of the unencumbered right, title and interest in and to each of the Trademarks, free and clear of any liens, charges, collateral assignments, mortgages or other encumbrances, including without limitation licenses and covenants by Assignor not to sue third persons;

(d) Assignor has the unqualified right to enter into this Agreement and perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained; and

(e) Assignor has granted to Lender, in the Loan Agreement and in this Agreement,

sufficient interest in the Trademarks, the associated goodwill, and in such other assets of Assignor to allow Lender, if necessary, to insure the continuity of usage of the Trademarks in accordance with their current use.

4. Assignor agrees that, until all of Assignor's Indebtedness has been satisfied in full, it will not enter into any agreement (for example, an exclusive license agreement) which is inconsistent with Assignor's obligations under this Agreement, without Lender's prior written consent.

5. Assignor authorizes Lender to modify this Agreement by amending Schedule A hereto to include any future trademarks and trademark applications as defined under paragraph 1, and to take appropriate steps to record or file such changed Schedule A with the appropriate public offices.

6. To the extent that Lender's interest in the Trademarks may be construed as other than a mere security interest, and provided that there shall have occurred no Default or Event of Default, Lender hereby grants to Assignor the exclusive, nontransferable right and license to use the Trademarks for Assignor's own benefit and account and for none other. Assignor agrees not to sell or assign its interest in the Trademarks. Assignor may grant licenses and sublicenses to the Trademarks in the ordinary course of its business, provided no Default or Event of Default has occurred under the Loan Agreement, and provided that each licensee or sublicensee agrees in writing to be bound by this Agreement as if it were a party hereto, and agrees that any interest it may have in the Trademarks will be subordinate to that of Lender.

7. If any Default shall have occurred and the Liabilities have been accelerated, Lender shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by

law and the rights and remedies of a secured party under the Uniform Commercial Code of the State of Illinois and, without limiting the generality of the foregoing, the Lender may immediately, without demand of performance and without other notice (except as set forth below) or demand whatsoever to Assignor, all of which are hereby expressly waived, and without advertisement, sell at public or at a commercially reasonable private sale or otherwise realize upon, the whole or from time to time any part of the Trademarks, or any interest which the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Trademarks all expenses (including all reasonable expenses for brokers' fees and attorneys' and paralegals' fees), shall apply the residue of such proceeds toward the payment of Assignor's Indebtedness. Any remainder of the proceeds after payment in full of the Indebtedness shall be paid over to the Assignor. At least ten (10) days notice of any sale or other disposition of the Trademarks shall be given to Assignor pursuant to the Uniform Commercial Code of Illinois, before any public or private sale or other disposition of the Trademarks is to be made, which Assignor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, the Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Trademarks, free from any right of redemption on the part of Assignor, which right is hereby waived and released. In addition, to the extent that Lender's interest herein is construed as other than a mere security interest, on the occurrence of a Default under the Loan Agreement and acceleration of the Liabilities, the license under the Trademarks as set forth in paragraph 6 of this Agreement shall immediately terminate.

8. At such time as Assignor shall satisfy in full all of the Indebtedness, Lender shall execute and deliver to Assignor all instruments as may be necessary or proper to re-vest in Assignor

full title to the Trademarks.

9. Any and all out-of-pocket fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto, and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in any public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or for otherwise protecting, maintaining, or preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, shall be borne and paid by Assignor on demand by Lender and until so paid shall be added to the principal amount of the Indebtedness and shall bear interest at the rate stipulated in the Loan Agreement.

10. If Assignor shall have or shall develop any trademark which is used in interstate commerce or which is otherwise registerable or protectable under the trademark laws of the United States of America, and which Assignor, in the exercise of its good faith judgment, decides is commercially worthy of such registration, Assignor shall file all applications necessary to obtain a registered United States trademark, and said trademark application shall be added to Schedule A of this Agreement.

11. During the continuance of a Default Lender shall have the right, but shall in no way be obligated to, bring suit in its own name to enforce the Trademarks and any license thereunder, in which event Assignor shall at the request of Lender do any and all lawful acts and execute any and all documents required by Lender in aid of such enforcement and Assignor shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this paragraph 11.

12. No course of dealing between Assignor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

14. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

15. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 5.

16. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

17. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of Illinois.

WITNESS the execution hereof under seal as of the 31st day of March, 2000.

PALLET MANAGEMENT SYSTEMS, INC.

By: 

Zachary M. Richardson

Its: President

LASALLE BUSINESS CREDIT, INC.

By: 

William A. Stapel

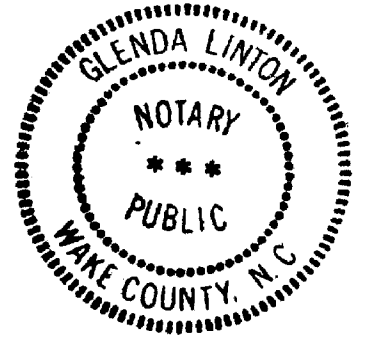
Its: First Vice President

State of NC)
) SS
County of Wake)

Before me, the undersigned, a Notary Public in and for the County and State aforesaid, on this 31st day of March, 2000, appeared Zachary M. Richardson known to me personally, and who, being by me first duly sworn, deposes and says that he is the President of Pallet Management Systems, Inc. and that the foregoing instrument (consisting of a Collateral Assignment of Trademarks) was signed on behalf of said corporation by authority of its Board of Directors and said Zachary M. Richardson acknowledged his signature to be his voluntary act and the voluntary act of said corporation.

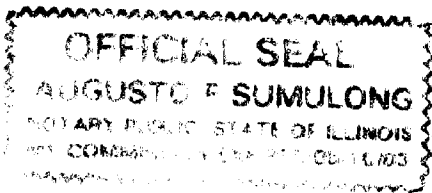
Glenda Linton
Notary Public

My commission expires: 2-29-02



State of ILLINOIS)
) SS
County of COOK)

Before me, the undersigned, a Notary Public in and for the County and State aforesaid, on this 31st day of March, 2000, appeared William A. Stapel known to me personally, and who, being by me first duly sworn, deposes and says that he is the First Vice President of Lasalle Business Credit, Inc., and that the foregoing instrument (consisting of a Collateral Assignment of Trademarks) was signed on behalf of said corporation by authority of its Board of Directors and said William A. Stapel acknowledged his signature to be his voluntary act and the voluntary act of said corporation.



Augusto F. Sumulong
Notary Public

My commission expires: 05-10-03

SCHEDULE A

TRADEMARK REGISTRATIONS

UNITED STATES REGISTERED TRADEMARKS

MARK	REGISTRATION/SERIAL NUMBERS
Pallet Management Systems	Registration Number: 2076936
PalletNet	Serial Number: 75/561,544