

TRADEMARK ASSIGNMENT

Electronic Version v1.1
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10/07/2003
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Uship Intellectual Properties, LLC		09/12/2003	LTD LIAB JT ST CO: CONNECTICUT

RECEIVING PARTY DATA

Name:	St. Croix Advanced Computing, GP
Street Address:	153 East Lake Street
City:	Wayzata
State/Country:	MINNESOTA
Postal Code:	55391
Entity Type:	PARTNERSHIP: MINNESOTA

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Registration Number:	1888206	U-SHIP

CORRESPONDENCE DATA

Fax Number: (651)426-2322
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: (651) 426-2400
 Email: karenk@sherrillaw.com
 Correspondent Name: Sherrill Law Offices, PLLC
 Address Line 1: 4756 Banning Avenue, Suite 212
 Address Line 4: White Bear Lake, MINNESOTA 55110

*Resubmission
This has already been
charged. Do not
charge again*

ATTORNEY DOCKET NUMBER:	CRX001GR01
NAME OF SUBMITTER:	Michael S. Sherrill

Total Attachments: 6
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MICHAEL SHERRILL 651 4262322 10

RightFAX

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Agreement") is made effective as of September 12, 2003 (the "Effective Date") by and between USHIP INTELLECTUAL PROPERTIES, LLC a Connecticut limited liability company (the "Debtor") and ST. CROIX ADVANCED COMPUTING, GP, a Minnesota general partnership (the "Secured Party"). The addresses of the parties are as follows:

Secured Party: St. Croix Advanced Computing, GP
153 East Lake Street
Wayzata, MN 55391
Attn: Peter Lytle

Debtor: Uship Intellectual Properties, LLC
17 Connecticut Drive South
East Granby, CT 06026
Attn: Peter Flynn

WHEREAS, on the date hereof, Secured Party has made a loan of \$91,000 to Debtor (the "Loan") pursuant to that certain Asset Purchase Agreement dated as of the date hereof between Debtor and Secured Party (the "Purchase Agreement") to allow Debtor to purchase the Assets (as defined therein and incorporated herein by reference) of the Secured Party (collectively, the "Assets");

WHEREAS, pursuant to the Purchase Agreement, Debtor has executed and delivered to Secured Party its Secured Promissory Note dated as of the date hereof (the "Note") in the original principal amount of \$91,000 (the Purchase Agreement, the Note, this Agreement, and all documents and instruments executed in connection therewith are hereinafter collectively referred to as the "Transaction Documents");

WHEREAS, to secure the performance of Debtor's obligations under the Note and the other Transaction Documents, including without limitation the repayment of the Loan pursuant to the Note (all of the foregoing collectively referred to as the "Obligations"), the Debtor has agreed to grant to Secured Party a security interest in the Collateral (as defined below), pursuant to the terms and conditions hereof;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants hereinafter set forth, the Debtor and Secured Party agree as follows:

1. **SECURITY INTEREST.** To secure the payment and performance of the Obligations, the Debtor grants the Secured Party a security interest (hereinafter the "Security Interest") in (i) all of the Assets (as defined in the Purchase Agreement; (ii) all substitutions, modifications, improvements, and replacements of the Assets; and (iii) all products and proceeds of the foregoing (hereinafter the "Collateral").

2. **REPRESENTATIONS, WARRANTIES AND AGREEMENTS.** The Debtor and Guarantors, jointly and severally, represent, warrant and agree, and each Secured Party relies upon such representations, warranties and agreements in entering into the Transaction Documents, as follows:

a. The Debtor is a limited liability company validly existing under the laws of the state of Connecticut, and the address of the Debtor's chief executive offices is shown at the beginning of this Agreement. The Debtor shall give the Secured Party prior written notice of any change in such address. The Debtor has authority to execute and perform this Agreement. The Taxpayer Identification number of the Debtor is applied for

b. Intentionally omitted.

c. The Debtor is the owner of the Collateral, or will be the owner of the Collateral hereafter acquired, free of all security interests, liens and encumbrances other than the Security Interest and other liens approved by the Secured Party in writing or liens existing at time the Collateral was transferred to Debtor by Secured Party. The Debtor shall defend the Collateral against the claims and demands of all persons other than the Secured Party or liens existing at time Collateral was transferred to Debtor by Secured Party, and shall promptly pay all taxes, assessments and other government charges upon or against the Debtor, any Collateral and the Security Interest. Except as contemplated by the first sentence of this paragraph c, no financing statement covering any Collateral is on file in any public office

d. The Debtor shall not sell or otherwise dispose of any Collateral or any interest therein without the prior written consent of the Secured Party, except that, until the occurrence of an Event of Default and the revocation by the Secured Party of the Debtor's right so to do, the Debtor may sell or lease any Collateral constituting inventory in the ordinary course of business. For purposes of this Agreement, a transfer in partial or total satisfaction of a debt, obligation or liability shall not constitute a sale or lease in the ordinary course of business.

e. Intentionally omitted.

f. Other than inventory in transit, all tangible Collateral shall be located at the addresses of Debtor set forth on the first page of this Agreement, and no such Collateral shall be located at any other address without the prior written consent of the Secured Party.

g. The Debtor shall (i) promptly notify the Secured Party of any loss of or material damage to any Collateral or of any adverse change in the prospect of payment of any account, instrument, chattel paper, other right to payment or general intangible constituting Collateral; (ii) keep all tangible Collateral insured in such amounts, against such risks and in such companies as shall be reasonably acceptable to the Secured Party, with loss payable clauses in favor of the Secured Party to the extent of its interest in form satisfactory to the Secured Party, and deliver policies or certificates of such insurance to the Secured Party; (iii) at the Debtor's chief executive office, keep accurate and complete records pertaining to the Collateral and the Debtor's business and financial condition, and submit to the Secured Party such periodic reports concerning the Collateral and the Debtor's business

and financial condition as the Secured Party may from time to time reasonably request; (iv) at all reasonable times permit the Secured Party and its representatives to examine and inspect any Collateral, and to examine, inspect and copy the Debtor's records pertaining to the Collateral and the Debtor's business and financial condition; (v) at the Secured Party's request, promptly execute, endorse and deliver such financing statements and other instruments, documents, chattel paper and writings and take such other actions deemed by the Secured Party to be necessary or desirable to establish, protect, perfect or enforce the Security Interest and the rights of the Secured Party under this Agreement, and pay all costs of filing financing statements and other writings in all public offices where filing is deemed by the Secured Party to be necessary or desirable; and (vi) notify the Secured Party in writing of the occurrence of an Event of Default within two (2) days of such occurrence.

3. Intentionally omitted.

4. **LIMITED POWER OF ATTORNEY.** If the Debtor at any time fails to perform or observe any agreement herein, the Secured Party, in the name and on behalf of the Debtor or, in its own name, may perform or observe such agreement and take any action which the Secured Party may deem necessary or desirable to cure or correct such failure. The Debtor irrevocably authorizes Secured Party and grants the Secured Party a limited power of attorney in the name and on behalf of the Debtor or, at its option, in its own name, after and during the continuation of an Event of Default to collect, receive, receipt for, create, prepare, complete, execute, endorse, deliver and file any and all financing statements, insurance applications, remittances, instruments, documents, chattel paper and other writings, to grant any extension to, compromise, settle, waive, notify, amend, adjust, change and release any obligation of any account debtor, obligor, insurer or other person pertaining to any Collateral, and to take any other action deemed by the Secured Party to be necessary or desirable to establish, perfect, protect or enforce the Security Interest. All advances, charges, costs and expenses, including reasonable attorneys' fees, incurred or paid by the Secured Party in connection with the enforcement of the Obligations and in the protection and exercise of any rights or remedies hereunder, together with interest thereon from the date incurred or paid by the Secured Party at the highest rate then applicable to any of the Obligations, shall be secured hereunder and shall be paid by the Debtor to the Secured Party on demand.

5. **EVENTS OF DEFAULT.** The occurrence of any of the following events shall constitute an "Event of Default": (a) default in the due and punctual payment or performance of any of the Obligations and the continuation of such default for a period of ten (10) days after notice thereof from the Secured Party; (b) default or breach of any covenant or agreement of Debtor contained or referred to in this Agreement, the Transaction Documents (including without limitation the occurrence of any "Event of Default" as defined in any of the Transaction Documents), or any other agreement, instrument or writing contemplated by or made or delivered pursuant to or in connection with any of the foregoing and the continuation of such default for a period of 30 days after notice thereof from the Secured Party, unless Debtor fails to give notice of an Event of Default as required by paragraph 2(g)(vi) hereof, in which case the continuance of such default for a period of five (5) days after such notice should have been given, regardless of whether notice is received from the Secured Party, shall constitute an Event of Default, or (c) any statement, representation or warranty made by the Debtor, or any endorser, guarantor or surety of the Debtor's Obligations, to the Secured Party at any time shall prove to have been incorrect or misleading in any material respect when made.

6. **REMEDIES.** Upon the occurrence of any Event of Default and at any time thereafter, the Secured Party, may, at its option, exercise any one or more of the following rights and remedies: (a) declare all Obligations to be immediately due and payable, and the same shall thereupon be immediately due and payable, without presentment or other notice or demand; (b) require the Debtor to assemble all or any part of the Collateral and make it available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties; (c) exercise and enforce any and all rights and remedies available upon default under this Agreement, the Transaction Documents the Uniform Commercial Code, and any other applicable agreements and laws, all of which rights and remedies shall be cumulative. If notice to the Debtor of any intended disposition of Collateral or other action is required, such notice shall be deemed reasonably and properly given if mailed by regular or certified mail, postage prepaid, to the Debtor at the address stated at the beginning of this Agreement or at the most recent address shown in the Secured Party's records, at least 5 days prior to the action described in such notice. The Debtor consents to the personal jurisdiction of the state and federal courts located in the State of Minnesota in connection with any controversy related to this Agreement, waives any argument that venue in such forums is not convenient, and agrees that any litigation initiated by the Secured Party against the Debtor in connection with this Agreement or any of the Obligations shall be venued in either the District Court of Hennepin County, Minnesota, or the United States District Court, District of Minnesota, Fourth Division.

7. **MISCELLANEOUS.** A carbon, photographic or other reproduction of this Agreement is sufficient as a financing statement. This Agreement cannot be waived, modified, amended, abridged, supplemented, terminated or discharged and the Security Interest cannot be released or terminated, except by a writing duly executed by the Secured Party. A waiver shall be effective only in the specific instance and for the specific purpose given. No delay or failure to act shall preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly, concurrently or successively, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall not be a condition to or bar the exercise or enforcement of any other. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured Party, and their respective successors and assigns and shall take effect when executed by the Debtor and delivered to the Secured Party, and the Debtor waives notice of the Secured Party's acceptance hereof. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the Transaction Documents, and the creation, payment and performance of the Obligations. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

St. Croix Advanced Computing, GP

Uship Intellectual Properties, LLC

By: 
Peter Lytle, Partner

By: 
Peter Flynn, Manager

SCHEDULE A**ASSETS**

1. All of the following located at Long Lake Storage, Long Lake Minnesota: Kiosks, company records, signage, and software and related development material.
2. 2 Kiosks shipped from Texas.
3. 1 Kiosk located at 153 East Lake Street, Wayzata, Minnesota.
4. All patents and patents pending including but not limited to the following:

U.S. Patents

4,900,905	5,369,221
5,025,388	5,481,464
5,065,000	5,656,798
5,233,532	5,831,220
5,340,948	6,105,014

U.S. Patent Applications

Serial Number	Filing Date
09/551,756	April 18, 2000

International Patent Application

Application No.	Filing Date
PCT/US02/34111	October 24, 2002

Foreign Patents

		Issued
1. EPO 0 579 717 B1	Validated in Germany, Italy, Spain, France	07/16/97
2. CA 2,108,280	Canadian Patent	03/17/92
3. JP 4-508917	Japanese Patent	03/17/92
4. EPO 0 758 444 B1	UK, Germany, France, Italy, Netherlands	04/27/95
5. CA 2,189,159	Canadian Patent	12/28/01
6. CA 2,000,882	Canadian Patent	05/04/99

5. The trademark "U-Ship" and any other trade names associated with the above, including any logo and brand development associated with this.

6. All software used in connection with for the Kiosk applications.
7. Any and all trade secrets related to the above including but not limited to retail success and other development.
8. Any and all intellectual property related to the above including business plans and proprietary information.
9. Any and all trade dress related to the above.