Electronic Version v1.1 Stylesheet Version v1.1

SUBMISSION TYPE: **NEW ASSIGNMENT**

NATURE OF CONVEYANCE: SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly Execution Date E		Entity Type
Artistic Products LLC		111/13/2008	LIMITED LIABILITY COMPANY: NEW YORK

RECEIVING PARTY DATA

Name:	Sterline National Bank		
Street Address:	00 Seventh Avenue		
City:	New York		
State/Country:	NEW YORK		
Postal Code:	10018		
Entity Type:	National Banking Association: NEW YORK		

PROPERTY NUMBERS Total: 4

Property Type	Number	Word Mark	
Serial Number:	77536842	EARTH SMART OFFICE	
Registration Number:	2182912	EUROPAD	
Serial Number:	77508449	LOGO PAD	
Registration Number:	2802037	RHINOLIN	

CORRESPONDENCE DATA

Fax Number: (314)231-1776

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 314-889-8000 Email: uspt@polsinelli.com Correspondent Name: Jeffrey E. Fine 100 S. Fourth St. Address Line 1:

Address Line 4: St. Louis, MISSOURI 63102

ATTORNEY DOCKET NUMBER: 053188-117547 ARISTIC

Suite 1100

TRADEMARK

REEL: 003896 FRAME: 0038

900121733

Address Line 2:

NAME OF SUBMITTER:	Jeffrey E. Fine			
Signature:	/Jeffrey E. Fine/			
Date:	12/01/2008			
Total Attachments: 11				
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PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

THIS PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT (this "Agreement") is made and entered into this 13th day of November, 2008, by **ARTISTIC PRODUCTS LLC**, a New York limited liability company, whose address is 125 Commerce Drive, Hauppauge, New York 11788 ("Artistic Products"), in favor of **STERLING NATIONAL BANK**, a national banking association whose address is 500 Seventh Avenue, New York, New York 10018 (the "Secured Party").

WITNESSETH:

WHEREAS, Artistic Products is justly indebted to the Secured Party pursuant to that certain Loan and Security Agreement of even date herewith ("Loan Agreement") arising from a line of credit established for the benefit of Artistic Products in the principal amount of \$5,000,000.00 and other obligations as set forth in the Loan Agreement; and

WHEREAS, the Secured Party has required that Artistic Products execute and deliver this Agreement to secure Artistic Products's performance under the Loan Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Artistic Products hereby covenants and agrees with Secured Party as follows:

Security Interest. To secure the complete and timely payment of Artistic Products's obligations arising under the Loan Agreement and related loan documents (the "Obligations"), Artistic Products hereby grants a continuing security interest in its entire right, title and interest in and to (a) all of its now owned and hereafter acquired or arising and filed patents and patent applications, including, without limitation, each patent and application listed on Schedule A, attached hereto, respectively, and made a part hereof (as the same may be amended pursuant hereto from time to time), and including, without limitation, all renewals thereof, all proceeds thereof (such as, by way of example, income, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements and all rights corresponding thereto throughout the world (all of the foregoing are collectively called the "Patents"); and (b) all of its now owned or existing, and hereafter acquired or arising and filed, trademarks, service marks, trademark or service mark registrations, trade names, and trademark or service mark applications, including, without limitation, common law rights and each mark, registration, and application listed on Schedule B, attached hereto, respectively, and made a part hereof (as the same may be amended pursuant hereto from time to time), and including, without limitation, all renewals thereof, all proceeds thereof (such as, by way of example, income, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements and all rights corresponding thereto throughout the world (all of the foregoing are

collectively called the "Trademarks"); and (c) all of its now owned or existing and registered, and hereafter acquired or arising and registered, copyrights, including without limitation, those copyrights listed on Schedule C attached hereto and made a part hereof (as the same my be amended pursuant hereto from time to time), and including, without limitation, all renewals thereof, all proceeds thereof (such as, by way of example, income, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements and all rights corresponding thereto throughout the world (all of the foregoing are collectively called the "Copyrights"), and together in each case with the goodwill of Artistic Products's business connected with the use of, and symbolized by, any of the foregoing. The Patents, Trademarks and Copyrights are sometimes collectively referred to herein as the "Intellectual Property."

- 2. <u>Representations, Warranties and Covenants of Artistic Products</u>. Artistic Products represents, warrants, covenants and agrees that:
- (a) The Patents, Trademarks and Copyrights are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and are not at this time the subject of any challenge to their validity or enforceability;
 - (b) Each of the Patents, Trademarks and Copyrights is valid and enforceable;
- (c) No claim has been made that (i) the use of any of the Intellectual Property does or may violate the rights of any third person, (ii) no claims for infringement have been commenced in connection with any of the Intellectual Property, nor is there a reasonable basis therefor:
- (d) Artistic Products is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, Trademarks and Copyrights, free and clear of any and all liens, charges and encumbrances, including, without limitation, any and all pledges, assignments, licenses, registered user agreements, shop rights and covenants by Artistic Products not to sue third persons;
- (e) Artistic Products has the unqualified right to enter into this Agreement and perform its terms; and
- (f) Artistic Products has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Intellectual Property.
- 3. <u>Further Assurances.</u> Artistic Products agrees that, until all of the Obligations shall have been paid in full, it will not enter into any agreement which is inconsistent with Artistic Products's obligations under this Agreement without Secured Party's prior written consent. Artistic Products further agrees that at any time and from time to time, at the expense of Artistic Products, Artistic Products will promptly execute and deliver to Secured Party any and all further instruments and documents and take any and all further action that may be reasonably necessary or desirable, or that Secured Party may request, in order to perfect and protect the collateral

assignment granted or purported to be granted hereby with respect to the Intellectual Property or to enable Secured Party to exercise its rights and remedies hereunder with respect to the same.

- 4. Additional Patents, Trademarks and Copyrights. If, before all of the Obligations shall have been paid in full, Artistic Products shall obtain rights to any new patents, trademarks or copyrights, the provisions of Paragraph 1 shall automatically apply thereto and Artistic Products shall give Secured Party prompt written notice thereof.
- 5. <u>Modification by Secured Party</u>. Artistic Products authorizes Secured Party to modify this Agreement by amending <u>Schedules A, B, and C</u> to include any future patents and patent applications and any future trademarks, service marks, trademark or service mark registrations, trade names, and trademark or service applications, and any future copyright applications and registrations covered by Paragraphs 1 and 4 hereof, without the signature of Artistic Products if permitted by applicable law.
- Default. If Artistic Products shall fail to pay the Obligations as and when due, or otherwise fails to perform any of its duties hereunder or under any other agreement, instrument or document evidencing or securing the Obligations, Secured Party 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 as enacted in any jurisdiction in which the Intellectual Property may be located and, without limiting the generality of the foregoing. Secured Party may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Artistic Products, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, all or from time to time any of the Intellectual Property, or any interest which Artistic Products may have therein, and after deducting from the proceeds of sale or other disposition of the Intellectual Property all reasonable expenses (including, without limitation, all expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations in such order and manner as Secured Party, in its sole discretion, may elect. Any remainder of the proceeds after payment in full of all of the Obligations shall be paid over to Artistic Products. Notice of any sale or other disposition of the Intellectual Property shall be given to Artistic Products at least ten (10) days before the time of any intended public or private sale or other disposition of the Intellectual Property is to be made, which Artistic Products hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, any holder of the Obligations or Secured Party may, to the extent permissible under applicable law, purchase the whole or any part of the Intellectual Property sold, free from any right of redemption on the part of Artistic Products, which right is hereby waived and released.
- 7. <u>Termination of Security Interest.</u> At such time as Artistic Products shall pay all of the Obligations in full, this Agreement shall terminate and Secured Party shall execute and deliver to Artistic Products all releases and other instruments as may be necessary or proper to

release the Security Interest and re-vest in Artistic Products full title to the Intellectual Property, subject to any disposition thereof which may have been made by Secured Party pursuant hereto.

- 8. Expenses. Any and all reasonable fees, costs and expenses of whatever kind or nature, including, without limitation, the reasonable attorneys' fees and legal expenses incurred by Secured Party 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 public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or other amounts in connection with protecting, maintaining or preserving the Intellectual Property, or in defending or prosecuting any actions or proceedings arising out of or related to the Intellectual Property, shall be borne and paid by Artistic Products on demand by Secured Party and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the post maturity rate provided in the Loan Agreement.
- 9. Preservation of Intellectual Property. Artistic Products shall have the duty to prosecute diligently any applications to register any of the Intellectual Property pending as of the date of this Agreement, to make federal application on registrable but unregistered Intellectual Property, to file and prosecute opposition and cancellation proceedings and to do any and all acts which are reasonably necessary or desirable to preserve and maintain all rights in the Intellectual Property. Any expenses incurred in connection with the Intellectual Property shall be borne solely by Artistic Products. Artistic Products shall not abandon any Intellectual Property without the prior written consent of Secured Party. Artistic Products shall have the right, with the prior written consent of Secured Party, to bring any opposition proceedings, cancellation proceedings or lawsuits in its own name to enforce or protect the Intellectual Property, in which event Secured Party may, if necessary, be joined as a nominal party to such suit if Secured Party shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder.
- 10. <u>No Waiver</u>. No course of dealing between Artistic Products and Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- 11. <u>Severability</u>. 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.
- 12. <u>Relationship to Other Agreements</u>. This Agreement and the liens and security interests (and pledges and assignments, as applicable) herein granted are in addition to any and all other deeds of trusts, mortgages, security agreements, security interests, pledges, assignments,

4

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liens, rights, titles or interests in favor of Secured Party or assigned to such party in connection with the obligations of Artistic Products to such party. All rights and remedies of Secured Party in all such agreements are cumulative.

- 13. <u>Amendments</u>. This Agreement is subject to amendment only by a writing signed by all of the parties hereto, except as provided in Paragraph 5.
- 14. <u>Successors and Assigns</u>. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Artistic Products may not assign or delegate any of its rights of obligations under this Agreement.
- 15. <u>Governing Law</u>. The validity and interpretation of this Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the internal laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have executed this Patent, Trademark and Copyright Security Agreement as of this 13th day of November, 2008.

ARTISTIC PRODUCTS LLC ("ARTISTIC PRODUCTS")

Name: Rehal Le. or Title: Dresset

STERLING NATIONAL BANK ("Secured Party")

Name: Aimee Spenhato
Title: Vice President

5

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF NEW JERSE	Υ)
)
COUNTY OF BERGEN)

On this 13th day of November, 2008, before me personally appeared Richard Leifer, to me personally known, who, being by me duly sworn, did say that he/she is a Manager of ARTISTIC PRODUCTS LLC, a New York limited liability company, and that said instrument was signed on behalf of said company by consent of its managers and members; and said Manager acknowledged said instrument to be the free act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

Notary Public

My Commission Expires:

(SEAL)

JEANETTE RUTLEDGE

Notary Public of New Jersey

My Commission Expires July 9 3009

STATE OF NEW JERSEY)
COUNTY OF BERGEN)

On this 13th day of November, 2008, before me personally appeared Aimee Spennato, to me personally known, who, being by me duly sworn, did say that he/she is the Vice President of STERLING NATIONAL BANK, a national banking association, and that said instrument was signed on behalf of said company by authority of its Board of Directors; and said Vice President acknowledged said instrument to be the free act and deed of said association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

Notary Public

My Commission Expires:

JEANETTE RUTLEDGE

Notary Public of New Jersey

My Commission Expires July 9 2009

(SEAL)

SCHEDULE A Patents

None None

SCHEDULE B (Trademarks)

See Schedule attached consisting of 1 page

Artistic Products LLC

Trademark Name	Country	Ref. #	Filed	App. #	Reg. Date	Reg. #	Status
Earth Smart Office	USA	201-13	8/1/2008	77/536,842			Pending
Europad	USA	201-5	12/26/1999	75/218,470	8/18/1998	2,182,912	Registered
Logopad	USA	201-3A	6/26/2008	77/508,449			Pending
Rhinolin	USA	201-8	1/23/2003	76/485,295	1/6/2004	2,802,037	Registered

SCHEDULE C (Copyrights)

None

RECORDED: 12/01/2008