

PATENT ASSIGNMENT

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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Charleston Marine Containers, Inc.	10/03/2008
RECEIVING PARTY DATA	
Name:	National Penn Bank
Street Address:	Philadelphia and Reading Avenues
City:	Boyertown
State/Country:	PENNSYLVANIA
Postal Code:	19512
PROPERTY NUMBERS Total: 8	
Property Type	Number
Patent Number:	7252468
Patent Number:	D546023
Patent Number:	D534330
Patent Number:	D533979
Patent Number:	D533978
Patent Number:	D502547
Patent Number:	7125212
PCT Number:	US0313708
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190873-0000011

NAME OF SUBMITTER:

Salvatore Anastasi

Total Attachments: 24

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Agreement") is made as of October 3, 2008, by and between CHARLESTON MARINE CONTAINERS INC. (the "Company"), a Delaware corporation, and NATIONAL PENN BANK (the "Bank").

BACKGROUND

A. The Bank made available to Gichner Systems Group, Inc., (then named "Gichner Acquisition, Inc.") (the "Borrower") line of credit, letter of credit and term loan credit facilities (collectively, the "Credit Facilities") pursuant to the terms and subject to the conditions of a Loan Agreement by and between the Bank and the Borrower dated August 22, 2007, and in response to a request of the Borrower, has agreed to amend the same, under the terms and conditions of a First Amendment to Loan Agreement by and between the Bank and the Borrower dated the date hereof (such Loan Agreement and First Amendment are collectively referred to herein as the "Loan Agreement").

B. The Borrower has purchased all of the outstanding capital stock of the Company.

C. As a condition of the Bank's agreement to enter into the First Amendment to Loan Agreement, the Company has executed and delivered to the Bank a Guaranty and Suretyship Agreement dated the date hereof, pursuant to which it has guaranteed and assured the obligations of the Borrower to the Bank (the "Guaranty"). As collateral security for the Guaranty, the Company has agreed to execute and deliver to the Bank this Security Agreement, granting to the Bank a perfected security interest in the Collateral (as hereinafter defined), under the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the promises contained herein and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

1. Incorporation of Defined Terms. Any capitalized terms used herein but not defined herein shall have the meanings given to them in the Loan Agreement. Terms defined herein are set forth in Section 10 below.

2. Security Interest.

a. Grant of Security Interest in Collateral. For value received and to secure the payment to the Bank and the prompt performance of the Obligations, the Company hereby grants to the Bank a security interest in the Collateral.

b. Perfection of Security Interests.

(i) The Company hereby authorizes the Bank to file, at the Company's cost and expense, such financing statements (including, without limitation, UCC-1 financing statements, UCC-3 continuation statements, and UCC-3 amendment statements) without the Company's signature, in such filing

offices as Bank deems necessary, in its sole discretion, to perfect, or maintain the perfection of, the Bank's security interest in the Collateral.

(ii) In addition to the authorization granted in favor of the Bank under Section 2b.(i) hereof, the Company shall, at its cost and expense, execute and deliver (or cause to be executed and delivered) to the Bank, concurrently with the execution of this Agreement, and at any time or times hereafter at the request of the Bank, all assignments, certificates of title, conveyances, assignment statements, financing statements, renewal financing statements, continuation statements, security agreements, affidavits, notices and all other agreements, instruments and documents that the Bank may reasonably request, in form and substance satisfactory to the Bank, and shall take any and all other steps reasonably requested by the Bank, in order to perfect and maintain the security interests granted herein by the Company to the Bank, in order to protect its interests under and comply with the Federal Assignment of Claims Act of 1940 (the "Claims Act"), including the execution of assignments of moneys due or to become due (and claims therefor) under Federal contracts and notices of assignment, and in order to fully consummate all of the transactions contemplated herein and under any Other Agreements. Without limiting the generality of the foregoing, at the request of the Bank at any time and at the cost and expense of the Company, the Company shall (i) execute and deliver a collateral assignment and/or pledge (in form and substance satisfactory to the Bank) evidencing the Bank's perfected first-priority security interest in the Company's rights and interest in and to all or any portion of the Intellectual Property Collateral, and cause any such collateral assignment to be recorded with any recording, filing or similar office required by the Bank (including, without limitation, the United States Patent and Trademark Office and the United States Copyrights Office).

c. Control. Without limiting the generality of any provision contained herein (including, without limitation, the requirements of Section 2b. hereof), the Company shall take any and all action which, in the judgment of the Bank, is required in order for the security interest granted to the Bank pursuant hereto in and to all Deposit Accounts, Electronic Chattel Paper, Investment Property, and Letter-of-Credit Rights to be properly perfected under the UCC including, without limitation, providing the Bank with control over such Collateral as required pursuant to and in accordance with the provisions of the UCC, as appropriate, including, in connection therewith, causing a control agreement, under which such control is provided to the Bank, to be executed and delivered to the Bank, which control agreement shall be satisfactory, in form and substance, to the Bank and its counsel.

d. Goods in Possession of Bailee. At the Bank's request, the Company shall obtain an acknowledgment, in form and substance satisfactory to the Bank, of any bailee having possession of any of the Collateral that the bailee holds such Collateral for the Bank, in order for the Bank to receive a perfected first-priority security interest therein as required by the UCC.

e. Power of Attorney. The Company hereby irrevocably makes, constitutes and appoints the Bank and any of its officers, employees or agents as the true and lawful attorneys of the Company with power to:

(i) sign the name of the Company on any financing statement, renewal financing statement, notice, agreement, certificate, instrument or on one or more assignments of moneys due or to become due (and claims therefor) under any contracts between the Company and the United States of America and/or agencies, departments or instrumentalities thereof, and the related filings required or appropriate under the Claims Act, or other similar document which, in the Bank's opinion, must be filed in order to perfect or continue perfected the interests granted in this Agreement or any Other Agreements;

(ii) receive, endorse, assign and deliver, in the name of the Company or in the name of the Bank, all checks, notes, drafts and other instruments relating to any Collateral including, but not limited to, receiving, opening and properly disposing of all mail addressed to the Company concerning Accounts and to notify postal authorities to change the address for delivery of mail to such address as the Bank may designate;

(iii) sign the name of the Company on any invoice or bill of lading relating to any Account, drafts against account debtors, schedules and assignments of Accounts, notices of assignment, verifications of accounts and notices to account debtors;

(iv) take or bring at the Company's cost, in its name or in the name of the Bank, all steps, actions and suits deemed by the Bank necessary or desirable to effect collections of Accounts, to enforce payment of any Account, to settle, compromise, sell, assign, discharge or release, in whole or in part, any amounts owing on Accounts, to prosecute any action or proceeding with respect to Accounts, to extend the time of payment of any and all Accounts, and to make allowances and adjustments with respect thereto; and

(v) do all other things necessary to carry out this Agreement and all Other Agreements.

Neither the Bank nor any attorney will be liable for any act of commission or omission nor for any error of judgment or mistake of fact or law, except and to the extent that a court of competent jurisdiction determines, pursuant to a final order, that such act of commission or omission constitutes gross negligence or willful misconduct. This power, being coupled with an interest, is irrevocable so long as any of the Obligations remain unpaid or unsatisfied.

f. Additional Collateral; Right of Set-Off. Funds of the Company on deposit with the Bank (or any Affiliate of the Bank), and Collateral of any nature and the cash and noncash Proceeds thereof owned by the Company or in which the Company has an interest, which now or hereafter are in the possession or control of the Bank (or any

Affiliate of the Bank), shall at all times constitute additional security and Collateral for the Obligations and may be set off against the Obligations upon the occurrence of an Event of Default.

3. Priority.

a. Lien Status. The Company represents and warrants that, except for the Permitted Encumbrances, the security interests and other rights granted to the Bank hereunder, when properly perfected by filing or other means of perfection required or permitted by the UCC, shall at all times constitute valid and perfected first-priority security interests vested in the Bank in and upon all of the Collateral, that such Collateral, except for the Permitted Encumbrances, is free and clear of all security interests, Liens, encumbrances and claims of all other Persons, and that such security interests and other rights granted to the Bank hereunder shall not become subordinate or junior to the security interests, liens, encumbrances or claims of any other Person including, without limitation, the United States or any department, agency or instrumentality thereof, or any state, county or local governmental agency.

b. Other Liens. The Company shall not grant (without the prior written approval of Bank) a security interest in or permit a Lien or encumbrance upon any of the Collateral to anyone except the Bank.

4. The Company's Organizational Information.

a. State of Organization/Name. The Company represents and warrants that (i) it is a corporation organized and existing in good standing under the laws of the State of Delaware; (ii) its chief executive office is located at 2301 Noisette Boulevard, Charleston, South Carolina 29405; and (iii) its exact legal name is the name set forth in the opening paragraph of this Agreement.

b. Notifications. The Company will notify the Bank in writing at least 30 days prior to any change in: (i) the Company's chief executive office (or residence); (ii) the Company's name or identity; or (iii) the Company's organizational structure or organizational jurisdiction. The Company shall promptly notify the Bank of any claims or alleged claims of any other person or entity to the Collateral or the institution of any litigation, arbitration, governmental investigation or administrative proceedings against or affecting the Collateral, which, if determined adversely to the Company, would have a Material Adverse Effect. The Company will keep the Collateral at the location(s) previously provided to the Bank until such time as the Bank provides written advance consent to a change of location. The Company will bear the cost of preparing and filing any documents necessary to protect the Bank's liens.

5. Accounts.

a. Representations and Warranties. The Company represents and warrants that:

(i) it is now and at all times hereafter shall be the absolute owner, free and clear of all Liens, encumbrances and security interests, of its Accounts, except for (i) the Liens and security interests granted herein, and (ii) the Permitted Encumbrances; and

(ii) (1) every Account will be a good and valid Account representing an undisputed bona fide indebtedness of a debtor to the Company, (2) there are and will be no defenses, setoffs, or counterclaims of any nature whatsoever against any Account, except for defenses, set-offs, or counterclaims which arise in the ordinary course of the Company's business and which are not, either singly or in the aggregate, material in amount, and (3) no agreement, under which any deduction, discount, allowance or special terms of payment may be claimed, has been or will be made with the debtor on any Account, except for discounts which arise in the ordinary course of the Company's business and any other special agreements which have been disclosed by the Company to the Bank prior to the date hereof.

b. Collections. The Company may collect its Accounts but only in the ordinary course of its business. Upon the occurrence of an Event of Default, the Bank shall have the right (i) to notify all account debtors and obligors of Accounts of the Company that the Bank has a security interest therein and that such Accounts have been assigned to Bank, and (ii) to direct all such account debtors to make payments to the Bank of all sums owing by them to the Company. All collections made by the Company after the exercise of such power by the Bank shall be held in trust by the Company for the Bank. All checks and other evidences of payment received by the Bank shall be subject to a bank clearance of three (3) days. Any and all disbursements for costs and expenses incurred or paid by the Bank with respect to the enforcement, collection or protection of its interest in the Collateral, or actions against the Company, whether by suit or otherwise, or notification of account debtors and obligors, including reasonable attorneys' fees, court costs and similar expenses, if any, shall become a part of the Obligations secured by the Collateral and payable on demand and, until paid, shall bear interest at the Default Rate.

c. Inspection of Documents. The Company, at such intervals as the Bank may determine, shall permit representatives of the Bank to inspect all invoices and other documents relating to Accounts; provided, however, that such inspections shall not interfere unreasonably with the Company's operations. The Company shall promptly inform the Bank of (i) any disputes with any account debtor or obligor relating to Collateral, and (ii) any claimed offset and counterclaim which may be asserted with respect to the Collateral which, either singly or in the aggregate, exceeds Two Hundred Fifty Thousand Dollars (\$250,000). The Company, upon the written request of the Bank, shall immediately deliver to the Bank copies certified as true and correct of each contract between the Company and the United States of America and/or agencies, departments or instrumentalities thereof, and all related amendments thereto and records of invoices and payments issued thereunder.

d. Segregation of Funds. After exercise by the Bank of its power to revoke the Company's right of collection of Accounts pursuant to Section 5b. hereof:

(i) the Company shall keep all collections separate and apart from all other funds and property and the Proceeds of such collections shall be delivered to the Bank at the time and in the form designated by the Bank;

(ii) all collections of Accounts shall be set forth on itemized schedules, showing the name of the account debtor, the amount of each payment, and such other information as the Bank may request; and

(iii) the Proceeds of the collections when received by the Company shall be deposited into an account designated by the Bank. This account shall be subject to the sole and exclusive control of the Bank and the Bank shall have the right at all times in its sole discretion to apply all or part of the monies in such account on payment of the Obligations. The Bank, in its sole discretion, may (but shall have no obligation to) release to the Company all or any part of the monies held in such account.

6. Equipment/Inventory.

a. Representations. The Company represents and warrants that it is now, and at all times hereafter shall be, the sole owner, free and clear of all liens, encumbrances and security interests, except the security interests granted or permitted herein and the Permitted Encumbrances, of indefeasible title to its Equipment and Inventory.

b. Maintenance of Equipment. Except for depreciation and obsolescence, the Company will keep its Equipment in good repair and maintained in a state of high operating efficiency, and will make all necessary repairs, replacements of and renewals so that the value and operating efficiency thereof shall at all times be maintained and preserved in a manner consistent with good management.

7. Intellectual Property Collateral/Investment Property.

a. Representations and Warranties Regarding Investment Property and Intellectual Property Collateral. The Company represents and warrants to Bank that:

(i) The Company does not own or have any right, title or interest in any Investment Property as of the date other than the Investment Property described on Exhibit "A" hereto ("Exhibit A").

(ii) Exhibit A is a complete and accurate list as of the date hereof of all copyright registrations and copyright applications owned by the Company, showing, as of such date, the registration number and date of registration therefor or the application number and date of application therefor, respectively. Exhibit A also contains a complete and accurate list as of the date hereof of all trademark and service mark registrations and all trademark and service mark applications owned by the Company, showing, as of such date, the jurisdiction of registration

or application thereof, the registration number and date of registration thereof or the application number and date of application therefor, respectively. Exhibit A also contains a complete and accurate list as of the date hereof of all patents and all patent applications owned by the Company, showing, as of such date, the patent number thereof and date of the patent or the application number and date of application therefor, respectively, and the date of expiration thereof.

(iii) All of the copyright registrations, trademark or service mark registrations and patents of the Company set forth on Exhibit A are subsisting and have not been adjudged invalid, unregistrable or unenforceable, in whole or in part, and, to the knowledge of the Company, are valid, registrable and enforceable. All of the copyright applications, trademark or service mark applications, and patent applications of the Company set forth on Exhibit A are pending and have not been abandoned. The Company has used reasonable and proper statutory notice in connection with its use of each copyright, each registered trademark and service mark and each patent set forth on Exhibit A. Except for any liens created or expressly permitted under the Loan Documents, the Company is the exclusive owner of the entire and unencumbered right, title and interest in and to the Intellectual Property Collateral and is entitled to use all such Intellectual Property Collateral in the continued operation of the business of the Company. The Company is not aware of any use of any of the items of Intellectual Property Collateral that could reasonably be expected to result in such item becoming subject to a claim of infringement by a third party or becoming invalid or unenforceable, including unauthorized uses by third parties and uses that were not supported by the goodwill of the business connected with such Intellectual Property Collateral. The Company has not granted any license, release, covenant not to sue or nonassertion assurance to or in favor of any Person with respect to any of the Intellectual Property Collateral, other than the Licenses described herein. No claims or actions have been asserted or are pending or threatened against the Company or, to the knowledge of the Company, against any third party (i) based upon or challenging or seeking to deny or restrict the use of any of the Intellectual Property Collateral, (ii) alleging that any services provided by, processes used by, or products manufactured or sold by the Company infringe on any patent, trademark, copyright, or any other right of any third party or (iii) alleging that the use of such Intellectual Property Collateral does or may infringe upon the rights of any third party. No Person is engaging in any activity that infringes upon the Intellectual Property Collateral or upon the rights of the Company therein.

(iv) All of the Licenses of the Company set forth in Exhibit A are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and, to the best knowledge of the Company, are valid and enforceable. With respect to each of the license agreements of the Licenses: (i) such license agreement is valid and binding and in full force and effect and represents the entire agreement between the respective licensor and licensee with respect to the subject matter of such license agreement; (ii) such license agreement will not cease to be valid and binding and in full force and effect on terms identical to

those currently in effect as a result of the rights and interest granted herein, nor will the grant of such rights and interest constitute a breach or default under such license agreement or otherwise give the licensor or licensee a right to terminate such license agreement; (iii) the Company has not received any notice of termination or cancellation under such license agreement; (iv) the Company has not received any notice of a breach or default under such license agreement, which breach or default has not been cured; (v) the Company has not granted to any other third party any rights, adverse or otherwise, in conflict with the terms of such license agreement; and (vi) neither the Company nor, to the best knowledge of the Company, any other party to such license agreement is in breach or default of such license agreement, and, to the best knowledge of the Company, no event has occurred that, with the giving of notice or the passage of time, or both, would constitute such a breach or default of, or permit the termination, modification or acceleration under, such license agreement. No actions have been asserted, or are pending or threatened, against the Company challenging or seeking to deny or restrict the use by the Company of any of the licensed Intellectual Property Collateral, or alleging that any licensed Intellectual Property Collateral is being licensed, sublicensed or used in violation of any patent, trademark, copyright or any other right of any third party. The execution, delivery and performance of this Agreement and the other Loan Documents, and the consummation of the transactions contemplated hereby and thereby, will not result in the termination or impairment of any of the Licenses.

b. Covenants Regarding Intellectual Property Collateral. The Company hereby covenants and agrees as set forth below:

(i) as soon as practicable and in any event within ten (10) Business Days after filing any copyright application with the United States Copyright Office or any other applicable filing or recording office therefor or acquiring any copyright application or registration, the Company shall deliver to the Bank (i) written notice thereof, together with a copy of the application for copyright registration in respect thereof, and, if applicable, the certificate of registration for any such acquired copyright (and, upon the giving of such notice, Exhibit A shall be automatically amended and supplemented to include such copyright application or registration), and (ii) a Copyright Security Agreement for recordation in the United States Copyright Office, duly executed by the Company, together with such other instruments or documents as may be necessary or as the Bank may deem reasonably desirable in order to perfect and protect the security interest granted or purported to be granted hereunder in such Intellectual Property Collateral.

(ii) as soon as practicable and in any event within forty-five (45) days after filing any trademark or service mark or patent application with the United States Patent and Trademark Office or any other applicable filing or recording office therefor or acquiring any trademark or service mark registration or patent or any trademark or service mark or patent application, the Company shall deliver to the Bank (i) written notice thereof, together with a copy of the application for

trademark or service mark registration or patent in respect thereof, and, if applicable, the certificate of registration or patent for any such acquired trademark or service mark or patent (and, upon the giving of such notice, Exhibit A shall be automatically amended and supplemented to include such trademark or service mark or patent application or registration), and (ii) a Patent Security Agreement or a Trademark Security Agreement, as applicable, for recordation in the United States Patent and Trademark Office, duly executed by the Company, together with such other instruments or documents as may be necessary or as the Bank may deem reasonably desirable in order to perfect and protect the pledge, assignment and security interest granted or purported to be granted hereunder in such Intellectual Property Collateral.

(iii) as soon as practicable and in any event within sixty (60) days after the initiation by any Person of an interference, reexamination, opposition, cancellation, infringement or misappropriation or other proceeding in connection with any of its Intellectual Property Collateral, the Company shall give the Bank written notice thereof.

(iv) The Company hereby agrees, subject to the Company's reasonable business judgment (including its reasonable business judgment not to take such actions), to take, at its sole expense, all commercially reasonable actions (including, without limitation, actions in respect of the United States Copyright Office or the United States Patent and Trademark Office or in any court or by or before any other Governmental Authority) (1) to maintain each of its copyright registrations, trademark or service mark registrations and patents (including, without limitation, maintaining the quality of any and all products or services used or provided in connection with any of its Intellectual Property Collateral, consistent with the quality of the products and services of the Company as of the date of this Agreement, and taking all steps necessary to ensure that all licensed users of any of its Intellectual Property Collateral use such consistent standards of quality), (2) to pursue each of its copyright applications, trademark or service mark applications and patent applications now or hereafter included in its Intellectual Property Collateral, including, without limitation, the payment of fees and taxes related thereto, the filing of responses to office actions issued by the United States Patent and Trademark Office, the filing of affidavits under Sections 8 and 15 of the United States Trademark Act, the filing of renewal applications under Section 9 of the United States Trademark Act, the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for re-issue, renewal or extensions, the payment of maintenance fees and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings and (3) to initiate, pursue, defend or otherwise prosecute any interference, reexamination, opposition, cancellation, infringement or misappropriation proceeding in connection with any of its Intellectual Property Collateral.

(v) If the Company determines in the exercise of its reasonable business judgment that a pending application for registration of a copyright, a

trademark or service mark or for a patent should no longer be pursued, or that a copyright registration, a trademark or service mark registration or a patent should no longer be, or can no longer be, maintained, the Company shall give the Bank notice thereof at least thirty (30) days prior to the last date (taking into consideration all available extensions of time) on which action to maintain in full force and effect the application, registration or patent can be taken, identifying the application that the Company believes should no longer be pursued or the copyright, trademark or service mark registration or patent that the Company believes should no longer be maintained and giving a reasonably detailed explanation therefor, and certifying to the Bank, that such application, registration or patent is no longer desirable in the conduct of the business of the Company and the failure to pursue such application or to maintain such registration or patent, either individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the value of the Collateral. Upon the request of the Bank (1) the Company shall provide the Bank with copies of all material correspondence and files concerning any or all of its Intellectual Property Collateral, including, without limitation, prosecution files and files concerning any interference, reexamination, opposition, cancellation, infringement or misappropriation involving its Intellectual Property Collateral, and (2) shall take such actions as may be reasonably requested by the Bank, at the sole expense of the Company, to maintain pursue, protect, and defend each item of its Intellectual Property Collateral in the manner and to the extent provided for in this paragraph 7(b).

(vi) The Company hereby agrees to use proper statutory notice from time to time in connection with its use of each of its Copyrights, Trademarks and Patents.

(vii) The Company hereby agrees to notify the Bank promptly (i) if any item of its Intellectual Property Collateral set forth in Exhibit A or any other item of its Intellectual Property Collateral has been determined to have become abandoned or dedicated to the public, (ii) of any adverse determination or the institution of any proceeding (including, without limitation, the institution of any proceeding in the United States Patent and Trademark Office or in any court or before any arbitrator or by or before any other Governmental Authority) regarding any such item of the Intellectual Property Collateral or (iii) that any such item of its Intellectual Property Collateral is infringed, misappropriated or otherwise violated by any other Person, which notice shall specify the actions that the Company has taken and/or proposes to take with respect thereto.

8. Taxes/Insurance.

a. Payment of Taxes. The Company shall promptly pay, when due, all sales, use, excise, personal property, income, withholding, corporate franchise and all other taxes, assessments and governmental charges upon and in relation to its ownership or use of any of its assets, income or gross receipts for which the Company is or may be liable, except to the extent any such liabilities are being contested in good faith and with due

diligence by the Company and the amount of such liabilities, or the contest thereof, does not, in the Bank's sole discretion, have a material adverse effect on the financial condition of the Company, its ability to repay the Obligations, the security interests of the Bank upon the Collateral, or the priority of such security interests. The Company shall not permit, or suffer to remain, and will promptly discharge, any lien arising from any unpaid tax, assessment, levy or governmental charge unless the Company contests such lien or liens in good faith, provides the Bank with all facts concerning the lien and provides adequate reserves on the books of the Company to protect against such loss or deposits adequate cash with the Bank, in such amount as the Bank may require, as a reserve for the payment thereof. In the event Company shall fail to pay any such tax, assessment, levy or governmental charge or to discharge any such lien or contest the same in good faith, the Bank, without waiving or releasing any obligation or default of the Company hereunder, may at any time or times thereafter, but shall be under no obligation to do so, make such payment, settlement, compromise or release or cause to be released any such lien, and take any other action with respect thereto which the Bank deems advisable. All sums paid by the Bank in satisfaction of, or on account of any tax, levy or assessment or governmental charge, or to discharge or release any lien, and any expenses, including reasonable attorneys' fees, court costs and other charges relating thereto, shall become a part of the Obligations secured by the Collateral and payable on demand and, until paid, shall bear interest at the Default Rate.

b. Insurance. The Company shall keep all of the Collateral insured, at its expense, pursuant to and in accordance with the provisions of the Loan Agreement. The Company shall deliver to the Bank on demand certified copies of all such insurance policies (or, at the option of the Bank certificates evidencing coverage) evidencing insurance required to be maintained by the Company pursuant to the Loan Agreement with loss payable clauses in a form satisfactory to the Bank naming the Bank as sole loss payee. All proceeds payable under any of such policies shall be payable in all events to the Bank, but at the option of the Bank any such proceeds may be released to the Company. The Company hereby grants to the Bank a continuing security interest in and to all such policies and the Proceeds thereof to secure the repayment of the Obligations and agrees that the Bank shall have the right, in the name of the Company or in the name of the Bank, to file claims under any insurance policies, to receive and give acquittance for any payments that may be made thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies. If the Company shall fail at any time or times hereafter to obtain and maintain any of the policies of insurance required hereby, or fail to pay any premium in whole or in part relating to any such policies, then the Bank may, but it shall have no obligation to do so, obtain and cause to be maintained any or all of such policies, and pay any part or all of the premiums due thereunder, without thereby waiving any default by the Company, and any sums so disbursed by the Bank shall become a part of the Obligations secured by the Collateral, payable on demand and, until paid, shall bear interest at the Default Rate.

9. Event of Default/Remedies.

a. Remedies. Upon the occurrence of an Event of Default, the Bank shall have, in addition to any other rights and remedies contained in this Agreement or in any Other Agreements, all the rights and remedies of a secured party under the UCC, all of which shall be cumulative to the extent permitted by law. In addition to all such rights and remedies, the Bank may sell, lease or otherwise dispose of the Collateral, or any part thereof, at public or private sale, for cash, credit or any combination thereof. The Bank shall have the right to bid and purchase at such sale or sales. The Proceeds of any sale or other disposition of all or any part of the Collateral upon which the Bank has a security interest, after payment of all costs and expenses of sale, including retaking, holding, preparing for sale, selling and the like and also including reasonable attorneys' fees and legal expenses incurred by the Bank, shall be applied by the Bank to the then outstanding balance of any of the Obligations and any surplus shall be paid by the Bank to the Company. The Company shall be liable to the Bank for any deficiency.

b. Costs and Expenses. If at any time or times hereafter the Bank employs counsel to prepare or consider approvals, waivers or consents, or to intervene, file a petition, answer, motion or other pleading in any suit or proceeding relating to this Agreement or any Other Agreements, or relating to any Collateral, or to protect, take possession of, or liquidate any Collateral, or to attempt to enforce any security interest or lien in any Collateral, or to enforce any rights of the Bank or liabilities of Company's Account debtors, or any other Person which may be obligated to the Bank by virtue of this Agreement or any Other Agreements, instrument or document now or hereafter delivered to the Bank by or for the benefit of the Company, then in any of such events, all of the attorneys' fees arising from such services, and any expenses, costs and charges relating thereto, shall become a part of the Obligations secured by the Collateral, payable on demand and, until paid, shall bear interest at the Default Rate.

c. Right of Entry. Upon the occurrence of an Event of Default, the Bank shall have the right to enter and remain upon the various premises of the Company without cost or charge to the Bank, and to use the same, together with materials, supplies, books and records of the Company, for the purpose of preparing for and conducting the sale of Collateral, whether by foreclosure, auction or otherwise. In addition, the Bank may remove from such premises the Collateral and any records with respect thereto, to the premises of the Bank or any designated agent of the Bank for such time as the Bank may desire, in order to effectively collect or liquidate the Collateral.

d. Notice. Any notice required to be given by the Bank of a sale, lease or other disposition of or other intended action by Bank with respect to any of the Collateral shall be deemed to have been duly given upon delivery in person, by facsimile transmission, by reputable overnight courier service, or by certified or registered United States mail, charges prepaid, to the Company at the Company's address set forth in the Loan Agreement at least ten (10) days prior to such proposed action. Such notification shall constitute fair and reasonable notice to the Company of such action.

e. No Waiver. The Bank's failure at any time or times hereafter to require strict performance by the Company of any of the provisions, warranties, terms and conditions contained in this Agreement or any Other Agreements shall not waive, affect or diminish any right of the Bank at any time or times hereafter to demand strict performance therewith and with respect to any other provisions, warranties, terms and conditions contained in this Agreement or any Other Agreements, and any waiver of any Event of Default shall not waive or affect any other Event of Default, whether prior or subsequent thereto, and whether of the same or a different type. None of the warranties, conditions, provisions and terms contained in this Agreement or any Other Agreements shall be deemed to have been waived by any act or knowledge of Bank, its agents, officers or employees, except by an instrument in writing signed by an officer of the Bank and directed to the Company specifying such waiver.

10. Defined Terms. As used herein, the following terms shall have the meanings indicated unless the context otherwise requires:

"Accounts" shall have the meaning given to it in the UCC and shall include, without limitation, all healthcare insurance receivables.

"Chattel Paper" shall have the meaning given to it in the UCC and shall include, without limitation, all Electronic Chattel Paper and Tangible Chattel Paper.

"Collateral" shall mean, collectively, all assets of the Company, whether now owned or hereafter acquired, including, without limitation, all of the Company's future and existing right, title and interest in and to all now owned or hereafter acquired Accounts, Chattel Paper, Contract Rights, Deposit Accounts, Documents, Equipment, Fixtures, General Intangibles, Goods, Instruments, Inventory, Investment Property, and Supporting Obligations relating or pertaining to any of the foregoing, together with all Proceeds thereof.

"Contract Rights" shall mean, collectively, any and all right, title and interest of the Company under or in connection with any agreement, document, contract, or arrangement, verbal or written, including, without limitation, leases and license agreements to which the Company is a party or under which the Company has an interest, but shall not include any duty, obligation or liability of the Company thereunder.

"Copyrights" shall mean, collectively, all of the Company's right, title and interest in and to (i) all copyrights (including, without limitation, all sales literature, promotional literature, software, databases and firmware), whether statutory or common law, and whether or not the underlying works of authorship have been published, (ii) all copyright registrations and copyright applications (including, without limitation, each of the copyright registrations and copyright applications set forth on Exhibit A) and all works of authorship and other intellectual property rights therein, (iii) all copyrights of works based on, incorporated in, derived from or relating to works covered by such copyrights, (iv) all rights to make and exploit all derivative works based on or adopted from works covered by such copyrights, and (v) any extensions or renewals thereof, including, but not limited to, (A) the right to print, publish and distribute any of the foregoing, (B) the right to sue or otherwise recover for any and all past, present and future infringements, misappropriations and other violations thereof, (C) all income, royalties,

damages, settlements and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages, settlements and payments for past or future infringements thereof) and (D) all rights corresponding thereto throughout the world and all other rights of such Company of any kind whatsoever accruing thereunder or pertaining thereto.

“Deposit Account” shall have the meaning given to it in the UCC and shall include those Deposit Accounts of the Company maintained with the Bank.

“Documents” shall have the meaning given to it in the UCC.

“Electronic Chattel Paper” shall have the meaning given to it in the UCC.

“Equipment” shall have the meaning given to it in the UCC.

“Event of Default” shall have the meaning given to it in the Loan Agreement.

“Fixtures” shall have the meaning given to it in the UCC.

“General Intangibles” shall have the meaning given to it in the UCC and shall include, without limitation, all Contract Rights (unless and to the extent any such Contract Rights are covered by another category of Collateral under the UCC), Intellectual Property Collateral, Payment Intangibles and Software.

“Goods” shall have the meaning given to it in the UCC.

“Governmental Authorizations” shall mean, collectively, any authorization, approval, consent, franchise, license, covenant, order, ruling, permit, certification, exemption, notice, declaration or similar right, undertaking or other action of, to or by, or any filing, qualification, or registration with, any Governmental Authority (as defined in the Loan Agreement).

“Instrument” shall have the meaning given to it in the UCC.

“Intellectual Property Collateral” shall mean, collectively, (i) Copyrights, (ii) Patents, (iii) Proprietary Works, (iv) Trademarks, and (v) Licenses.

“Inventory” shall have the meaning given to it in the UCC.

“Investment Property” shall have the meaning given to it in the UCC.

“Letter-of-Credit Right” shall have the meaning given to it in the UCC.

“Liabilities” or “Obligations” shall mean any and all debts, obligations, and liabilities of the Company to the Bank of every kind and description, whether in connection with the Loan Documents or otherwise, whether principal, interest, fees, or otherwise, whether or not jointly owed with others, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, contractual or tortious, liquidated or unliquidated, arising by operation of law or otherwise, whether or not from time to time decreased or extinguished and

later increased, created, or incurred and whether or not extended, modified, rearranged, restructured, refinanced, or replaced including, without limitation, modifications to interest rates or other payment terms of such debts, obligations, or liabilities. The foregoing shall include obligations to perform acts and refrain from taking action, as well as obligations to pay money.

“Licenses” shall mean, collectively, all of the Company’s right, title and interest in and to all license agreements with any other Person in connection with any of the Patents, Proprietary Works, Copyrights, and/or Trademarks, whether the Company is a licensor or a licensee under any such license agreement (including, without limitation, each license set forth on Exhibit A, and any right to prepare for sale, sell and advertise for sale all Inventory now or hereafter owned by the Company and now or hereafter covered by such licenses, including, but not limited to, (i) the right to bring an action or otherwise recover for any and all past, present and future breaches and other violations thereof, (ii) all income, royalties, damages, settlements and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, damages, settlements and payments for past or future breaches and infringements thereof) and (iii) all rights of the Company corresponding thereto throughout the world and all other rights of the Company of any kind whatsoever accruing thereunder or pertaining thereto.

“Loan Agreement” has the meaning set forth in the Background section of this Agreement and any future amendments, restatements, modifications or supplements thereof or thereto.

“Other Agreements” shall mean, collectively, the Loan Documents, and any other agreements, pledges, instruments, documents, assignments, leases, suretyship agreements or contracts (including amendments, modifications or supplements thereto and restatements thereof) now or at any time or times hereafter executed and delivered by or on behalf of the Company to the Bank.

“Patents” shall mean, collectively, all of the Company’s right, title and interest in and to all patents, patent applications and patentable inventions (including, without limitation, each patent and patent application set forth on Exhibit A), including, but not limited to, (i) all inventions and improvements described and claimed therein, (ii) the right to sue or otherwise recover for any infringements and other violations thereof, (iii) all income, royalties, damages, settlements and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages, settlements and payments for past and future infringements thereof) and (iv) all rights corresponding thereto throughout the world and all reissues, divisions, continuations, continuations-in-part, provisional applications, substitutes, renewals and extensions thereof, all improvements thereon and all other rights of the Company of any kind whatsoever accruing thereunder or pertaining thereto.

“Payment Intangible” shall have the meaning given to it in the UCC.

“Permitted Encumbrances” shall be those encumbrances listed on Exhibit B hereto.

“Proceeds” shall have the meaning given to it in the UCC.

“Proprietary Works” shall mean, collectively, all of the Company’s right, title and interest in and to all General Intangibles consisting of (i) all Governmental Authorizations, all certificates, records, circulation lists, subscriber lists, advertiser lists, supplier lists, customer lists, customer and supplier contracts, sales orders, purchasing records and other rights, privileges and goodwill obtained or used in connection with the Collateral, all processes, practices, techniques, procedures, trade secrets, know-how and other information and data (including, without limitation, all designs, drawings, compilation of data, specifications and assembly procedures) and (ii) the right to sue or otherwise recover for any and all past, present and future infringements, misappropriations and other violations thereof.

“Software” shall have the meaning given to it in the UCC.

“Supporting Obligations” shall have the meaning given to it in the UCC.

“Tangible Chattel Paper” shall have the meaning given to it in the UCC.

“Trademarks” shall mean, collectively, all of the Company’s right, title and interest in and to (i) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious names, trade dress, service marks, trade styles, logos and other designs or sources of business identifiers or other indicia of trade origin, (ii) all trademark and service mark registrations and applications for trademark or service mark registrations (including, without limitation, each registration and application set forth on Exhibit A) and (iii) any and all extensions and renewals of or with respect to any of the foregoing, including, but not limited to, (A) the right to sue or otherwise recover for any and all past, present and future infringements, misappropriations and other violations thereof, (B) all income, royalties, damages, settlements and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages, settlements and payments for past or future infringements thereof) and (C) all rights of the Company corresponding thereto throughout the world and all other rights of the Company of any kind whatsoever accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, any or all of the foregoing throughout the world, but excluding any United States intent-to-use trademark application prior to the filing of a Statement of Use or an amendment to allege use in connection therewith to the extent that a valid lien and security interest may not be taken in such an intent-to-use application under applicable law.

“UCC” shall mean the Pennsylvania Uniform Commercial Code, as in effect on the date hereof, as the same may be modified, amended, revised, supplemented and restated from time to time.

11. Other Terms. All other terms which are used in this Agreement and which are not otherwise defined herein or in the Loan Agreement, but which are defined or are used in the UCC, shall have the meanings ascribed to those terms in the UCC.

12. General.

a. Application of Payments. Upon the occurrence of an Event of Default, the Company irrevocably waives the right to direct the application of any and all payments

(including Proceeds of Collateral) at any time or times thereafter which may be received by the Bank by or for the benefit of the Company.

b. Legal Effect. This Agreement and any Other Agreements, instruments and documents executed and delivered pursuant hereto or to consummate the transactions contemplated hereunder shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

c. Construction and Jurisdiction. The domestic internal laws (but not the law of conflicts of law) of the Commonwealth of Pennsylvania shall govern and control the construction, enforceability, validity and interpretation of this Agreement and any Other Agreements. The Company agrees that, unless the Bank, in its sole discretion, chooses otherwise, any suit, action or proceeding arising under or with respect to this Security Agreement will be instituted in the Court of Common Pleas of Berks County, Pennsylvania, or the United States District Court for the Eastern District of Pennsylvania, and irrevocably and unconditionally submits to the jurisdiction of each such Court for such purpose.

d. Waiver. The Company waives demand, protest, notice of protest, notice of default, release, compromise, settlement, extension or renewal of all commercial paper, accounts, contract rights, instruments, guarantees, and otherwise, at any time held by the Bank on which the Company may in any way be liable, notice of nonpayment at maturity of any and all Accounts, and notice of any action taken by the Bank unless expressly required by this Agreement.

e. Representations. All representations and warranties of the Company and all terms, provisions, conditions and agreements to be performed by the Company contained in this Agreement, and in any Other Agreements, instrument or document executed heretofore or concurrently herewith by the Company and delivered to the Bank, shall be true and satisfied at the time of the execution of this Agreement, and shall survive the execution and delivery of this Agreement and all Other Agreements.

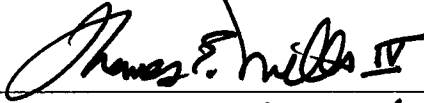
f. Choice of Remedies. To the extent that any of the Obligations are now or hereafter secured by property other than the Collateral, or by a guaranty, endorsement or property of any other Person, then the Bank shall have the right to proceed against such other property, guaranty or endorsement upon the Company's default in the payment of any of the Obligations or in any of the terms, covenants or conditions contained in this Agreement or in any Other Agreement, and the Bank shall have the right, in the Bank's sole discretion, to determine which rights, security, liens, security interests or remedies the Bank shall at any time pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of them or any of the Bank's rights or the Obligations under this Agreement or under any Other Agreements.

g. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions

hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

IN WITNESS WHEREOF, this Agreement has been duly executed as an instrument under seal on the day and year first above written.

CHARLESTON MARINE
CONTAINERS INC.

By: 
Name: THOMAS E MILLS IV
Title: PRESIDENT & CEO

NATIONAL PENN BANK


By: 
Name: William R. Hauber
Title: Vice President

Exhibit "A"

(List Copyrights, Investment Property, Licenses, Patents and Trademarks)

Exhibit "A"

(List Copyrights, Investment Property, Licenses, Patents and Trademarks)

Patents

Title	App. No.	Date Filed	Pub. No.	Pub. Date	Reg. No.	Issue Date	Owner	Notes
Methods and Devices for Adapting a Cargo Container to Directly Interface with an Aircraft Cargo Bay	11/396,600	04/04/06	20060182509	08/17/06	7,252,468	08/07/07	Charleston Marine Containers Inc.	
Container	29/227,909	04/18/05			D546,023	07/03/07	Charleston Marine Containers Inc.	
Container	29/222,225	01/28/05			D534,330	12/26/06	Charleston Marine Containers Inc.	
Container	29/222,224	01/28/05			D533,979	12/19/06	Charleston Marine Containers Inc.	
Container	29/222,223	01/28/05			D533,978	12/19/06	Charleston Marine Containers Inc.	
Shipping Container	29/195,318	12/10/03			D502,547	03/01/05	Charleston Marine Containers Inc.	
Method and Device for Adapting a Cargo Container to Directly Interface with an Aircraft Cargo Bay	10/427,994	05/02/03	20030206781	11/06/03	7,125,212	10/24/06	Charleston Marine Containers Inc.	
Method and Device for Adapting a Cargo Container to Directly Interface with an Aircraft Cargo Bay	PCT/US2003/013708	05/02/03	WO2003093140	11/13/03			Charleston Marine Containers Inc.	
Method and Device for Adapting a Cargo Container to Directly Interface with an Aircraft Cargo Bay	EP20030728662	05/02/03	EP1499543	1/26/2005			Charleston Marine Containers Inc.	

Method and Device for Adapting a Cargo Container to Directly Interface with an Aircraft Cargo Bay	AU2003234436	05/02/03	AU2003234436	01/08/04		Charleston Marine Containers Inc.	
Method and Device for Adapting a Cargo Container to Directly Interface with an Aircraft Cargo Bay	DE20036006765T	05/02/03	DE60306765	07/12/07		Charleston Marine Containers Inc.	

Licenses

The Company does not hold any licenses outside of off-the shelf software.

US Federal Trademarks

Trademark	Appl. No. Reg. No.	Filing Date Reg. Date	Status	Owner
DURA-MOVE	76-611325 3,080,275	9/14/04 4/11/06	Registered	Charleston Marine Containers Inc.
LSA	76-415497 2,854,549	5/15/02 6/15/04	Registered	Charleston Marine Containers Inc.
QUADCOLD	78-693313 3,331,374	8/16/05 11/6/07	Registered	Charleston Marine Containers Inc.
TRICOLD	78-693295 3,123,564	8/16/05 8/1/06	Registered	Charleston Marine Containers Inc.

Common Law Trademarks

Trademark	Where Use Found	Goods/Services
CMCI	http://www.cmci-containers.com/cmci/	Container systems
CMCI & Design	http://www.cmci-containers.com/cmci/	Container systems

Domain Name Registrations

Domain Name
cmci.com
cmci-containers.com
charlestonmarinecontainers.com
buy-cmci.com

Exhibit "B"

Permitted Encumbrances

Exhibit "B"

Permitted Encumbrances

1. Citicorp Del Lease, Inc., F/S #4016400 6, Delaware (Mitsubishi 190" Mast, 48 Forks).
2. Herman Miller Capital, F/S #5283247 6, Delaware (draw rods and fram pwr).