

07-09-2003



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7-2-03
FORM PTO-1594 (Modified)
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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

1. Name of conveying party(ies):

Mac-Gray Services, Inc.
22 Water Street
Cambridge, MA 02141

- Individual(s)
- General Partnership
- Corporation - State - Delaware
- Other
- Association
- Change of Name

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

2. Name and address of receiving party(ies)

Name: **Citizens Bank of Massachusetts**
Internal Address:
Street Address: **28 State Street, Boston, MA 02141**

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation - State - Delaware
- Other

If assignee is not domiciled in the United States, a domestic designation is Yes No
(Designations must be a separate document form)

Additional name(s) & addresses(es) attached? Yes No

3. Nature of conveyance:

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

Execution Date: **June 24, 2003**

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

- 76/460,532 (SAFE PLUG)
- 76/460,531 (SUPERCYCLE)
- 75/866,207 (LEASE RELEASE)
- 75/524,354 (INTELLIPASS)
- 75/376,602 (MAC GRAY and Design)
- 75/377,167 (MAC-GRAY (block letter))

B. Trademark Registration No.(s)

- 2,708,125 (MICRO FRIDGE)
- 2,290,643 (LIFE JUST GOT EASIER)
- 2,057,072 (THE FUTURE OF MANAGED LAUNDRY SYSTEMS)
- 1,995,184 (AMV AMERIVEND)
- 1,921,783 (SMARTRAC)

Additional numbers attached? Yes No

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

Name: **Meryl J. Epstein**
Address: **MINTZ, LEVIN, COHN, FERRIS
GLOVSKY and POPEO, P.C.
One Financial Center
Boston, MA 02111**

6. Total number of applications and registrations involved: [11]

7. Total fee (37 CFR 3.41).....\$290.00

Enclosed

Should the amount of the enclosed fee be insufficient, the Commissioner is hereby authorized to charge the balance due to the deposit account of the undersigned.

8. Deposit Account No: **50-0311**

DO NOT USE THIS SPACE

9. Statement and signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Christina V. Karnakis, Reg. No. 45,899

Name of Person Signing

Signature

July 2, 2003

Date

Total number of pages including cover sheet, attachments, and document: [19]

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01 FC:8521 40.00 DP
02 FC:8522 250.00 DP

Mail to: Mail Stop ASSIGNMENT RECORDATION SERVICES
Commissioner of Patents and Trademarks
P.O. Box 1450
Alexandria, VA 22313-1450

FINANCE SECTION
JUL 15 2003
RECORDS

TRADEMARK
REEL: 002773 FRAME: 0455

PATENT AND TRADEMARK
SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT dated as of June 24, 2003, between **MAC-GRAY SERVICES, INC.**, a Delaware corporation, having its chief executive office at 22 Water Street, Cambridge, Massachusetts 02141 (the "Assignor"), and **CITIZENS BANK OF MASSACHUSETTS**, with offices at 28 State Street, Boston, Massachusetts 02141 as administrative agent (hereinafter, in such capacity, the "Agent") for itself and other banking institutions (hereinafter, collectively, the "Banks") which are, or may in the future become, parties to the Revolving Credit and Term Loan Agreement dated as of June 24, 2003 (as amended and in effect from time to time, the "Credit Agreement").

WHEREAS, it is a condition precedent to the Banks entering into the Credit Agreement that the Assignor execute and deliver to the Agent, for the ratable benefit of the Banks and the Agent, a patent and trademark security agreement in substantially the form hereof;

WHEREAS, the Assignor has executed and delivered to the Agent, for the ratable benefit of the Banks and the Agent, the Security Agreement (as defined in the Credit Agreement), pursuant to which the Assignor has granted to the Agent, for the ratable benefit of the Banks and the Agent, a security interest in the Assignor's personal property and fixed assets, including, without limitation, the patents, trademarks, service marks, trademark and service mark registrations, and patent, trademark and service mark registration applications listed on Schedule A attached hereto, all to secure the payment and performance of the Obligations (as defined in the Credit Agreement); and

WHEREAS, this Patent and Trademark Security Agreement is supplemental to the provisions contained in the Security Agreement;

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINITIONS.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Credit Agreement and the Security Agreement. In addition, the following terms shall have the meanings set forth in this §1 or elsewhere in this Patent and Trademark Agreement referred to below:

Assignment of Marks. See §2.1.

Assignment of Patents. See §2.1.

Associated Goodwill. All goodwill of the Assignor and its business, products and services appurtenant to, associated with or symbolized by the Patents and Trademarks and the use thereof.

Patent License Rights. Any and all past, present or future rights and interests of the Assignor pursuant to any and all past, present and future licensing, franchising or similar agreements in favor of the Assignor, or to which the Assignor is a party, pertaining to any Patents, Patent Registrations, or Patent Rights owned or used by third parties in the past, present or future, including the right (but not the obligation) in the name of the Assignor or the Agent to enforce, and sue and recover for, any breach or violation of any such agreement.

Patents. All letters patent of the United States and all pending United States patent applications, all right, title and interest therein and thereto, and all recordations thereof, including, without limitation, applications, recordations in the United States Patent and Trademark Office hereafter acquired by the Assignor.

Patents Registrations. All past, present or future federal, state, local and foreign registrations of the Patents, all past, present and future applications for any such registrations (and any such registrations thereof upon approval of such applications), together with the right (but not the obligation) to apply for such registrations (and prosecute such applications) in the name of the Assignor or the Agent, and to take any and all actions necessary or appropriate to maintain such registrations in effect and renew and extend such registrations.

Patents Rights. Any and all past, present or future rights in, to and associated with the Patents throughout the world, whether arising under federal law, state law, common law, foreign law or otherwise, including the following: all such rights arising out of or associated with the Patent Registrations; the right (but not the obligation) to register claims under any state, federal or foreign trademark law or regulation; the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of the Assignor or the Agent for any and all past, present and future infringements or dilution of or any other damages or injury to the Patents, the Patents Rights, or the Associated Goodwill, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, dilution, damage or injury; and the Patents License Rights.

Pledged Patents. All of the Assignor's right, title and interest in and to all of the Patents, the Patent Registrations, the Patent License Rights, the Patent Rights, the Associated Goodwill, the Related Assets and all accessions to, substitutions for, replacements of, and all products and proceeds of any and all of the foregoing.

Pledged Trademarks. All of the Assignor's right, title and interest in and to all of the Trademarks, the Trademark Registrations, the Trademark License Rights, the Trademark Rights, the Associated Goodwill, the Related Assets, and all accessions to, substitutions for, replacements of, and all products and proceeds of any and all of the foregoing.

PTO. The United States Patent and Trademark Office.

Related Assets. All assets, rights and interests of the Assignor that uniquely reflect or embody the Associated Goodwill, including the following:

- (a) all patents, inventions, copyrights, trade secrets, confidential information, formulae, methods or processes, compounds, recipes, know-how, methods and operating

systems, drawings, descriptions, formulations, manufacturing and production and delivery procedures, quality control procedures, product and service specifications, catalogs, price lists, and advertising materials, relating to the manufacture, production, delivery, provision and sale of goods or services under or in association with any of the Trademarks or Patents; and

(b) the following documents and things in the possession or under the control of the Assignor, or subject to its demand for possession or control, related to the production, delivery, provision and sale by the Assignor, or any affiliate, franchisee, licensee or contractor, of products or services sold by or under the authority of the Assignor in connection with the Patents, Patent Rights, Trademarks or Trademark Rights, whether prior to, on or subsequent to the date hereof:

(i) all lists, contracts, ancillary documents and other information that identify, describe or provide information with respect to any customers, dealers or distributors of the Assignor, its affiliates or franchisees or licensees or contractors, for products or services sold under or in connection with the Patents, Patent Rights, Trademarks or Trademark Rights, including all lists and documents containing information regarding each customer's, dealer's or distributor's name and address, credit, payment, discount, delivery and other sale terms, and history, pattern and total of purchases by brand, product, style, size and quantity;

(ii) all agreements (including franchise agreements), product and service specification documents and operating, production and quality control manuals relating to or used in the design, manufacture, production, delivery, provision and sale of products or services under or in connection with the Patents, Patent Rights, Trademarks or Trademark Rights;

(iii) all documents and agreements relating to the identity and locations of all sources of supply, all terms of purchase and delivery, for all materials, components, raw materials and other supplies and services used in the manufacture, production, provision, delivery and sale of products or services under or in connection with the Patents, Patent Rights, Trademarks or Trademark Rights; and

(iv) all agreements and documents constituting or concerning the present or future, current or proposed advertising and promotion by the Assignor (or any of its affiliates, franchisees, licensees or contractors) of products or services sold under or in connection with the Patents, Patent Rights, Trademarks or Trademark Rights.

Trademark License Rights. Any and all past, present or future rights and interests of the Assignor pursuant to any and all past, present and future licensing, franchising or similar agreements in favor of the Assignor, or to which the Assignor is a party, pertaining to any Trademarks, Trademark Registrations, or Trademark Rights owned or used by third parties in the past, present or future, including the right (but not the obligation) in the name of the Assignor or

the Agent to enforce, and sue and recover for, any breach or violation of any such agreement to which the Assignor is a party.

Trademark Registrations. All past, present or future federal, state, local and foreign registrations of the Trademarks, all past, present and future applications for any such registrations (and any such registrations thereof upon approval of such applications), together with the right (but not the obligation) to apply for such registrations (and prosecute such applications) in the name of the Assignor or the Agent, and to take any and all actions necessary or appropriate to maintain such registrations in effect and renew and extend such registrations.

Trademark Rights. Any and all past, present or future rights in, to and associated with the Trademarks throughout the world, whether arising under federal law, state law, common law, foreign law or otherwise, including the following: all such rights arising out of or associated with the Trademark Registrations; the right (but not the obligation) to register claims under any state, federal or foreign trademark law or regulation; the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of the Assignor or the Agent for any and all past, present and future infringements or dilution of or any other damages or injury to the Trademarks, the Trademark Rights, or the Associated Goodwill, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, dilution, damage or injury; and the Trademark License Rights.

Trademarks. All of the trademarks, service marks, designs, logos, indicia, trade names, corporate names, company names, business names, fictitious business names, trade styles, elements of package or trade dress, and other source and product or service identifiers, used or associated with or appurtenant to the products, services and businesses of the Assignor, that (i) are set forth on Schedule A hereto, or (ii) have been adopted, acquired, owned, held or used by the Assignor or are now owned, held or used by the Assignor, in the Assignor's business, or with the Assignor's products and services, or in which the Assignor has any right, title or interest, or (iii) are in the future adopted, acquired, owned, held and used by the Assignor in the Assignor's business or with the Assignor's products and services, or in which the Assignor in the future acquires any right, title or interest.

Use. With respect to any Patent or Trademark, all uses of such Patent or Trademark by, for or in connection with the Assignor or its business or for the direct or indirect benefit of the Assignor or its business, including all such uses by the Assignor itself, by any of the affiliates of the Assignor, or by any franchisee, licensee or contractor of the Assignor.

Unless otherwise provided herein, the rules of interpretation set forth in § 1.2 of the Credit Agreement shall be applicable to this Patent and Trademark Agreement.

2. GRANT OF SECURITY INTEREST.

2.1. Security Interest; Assignments. As collateral security for the payment and performance in full of all of the Obligations, the Assignor hereby unconditionally grants to the Agent, for the ratable benefit of the Banks and the Agent, a continuing security interest in and first priority lien on the Pledged Patents and Pledged Trademarks, and pledges and mortgages the Pledged Patents and the Pledged Trademarks to the Agent for the ratable benefit of the Banks

and the Agent. In addition, the Assignor has executed in blank and delivered to the Agent an assignment of federally registered trademarks in substantially the form of Exhibit A (the "Assignment of Marks") and an assignment of federally registered patents in substantially the form of Exhibit B hereto (the "Assignment of Patents"). The Assignor hereby authorizes the Agent to complete as assignee and record with the PTO the Assignment of Marks and the Assignment of Patents upon the occurrence and during the continuance of an Event of Default and the proper exercise of the Agent's remedies under this Patent and Trademark Security Agreement and the Security Agreement.

2.2. Conditional Assignment. In addition to, and not by way of limitation of, the grant, pledge and mortgage of the Pledged Patents and the Pledged Trademarks provided in §2.1, the Assignor grants, assigns, transfers, conveys and sets over to the Agent, for the ratable benefit of the Banks and the Agent, the Assignor's entire right, title and interest in and to the Pledged Patents and the Pledged Trademarks; provided that such grant, assignment, transfer and conveyance shall be and become of force and effect only (i) upon or after the occurrence and during the continuance of an Event of Default and (ii) either (A) upon the written demand of the Agent at any time during such continuance or (B) immediately and automatically (without notice or action of any kind by the Agent) upon an Event of Default for which acceleration of the Loans is automatic under the Credit Agreement or upon the sale or other disposition of or foreclosure upon the Collateral pursuant to the Security Agreement and applicable law (including the transfer or other disposition of the Collateral by the Assignor to the Agent or its nominee in lieu of foreclosure).

2.3. Supplemental to Security Agreement. Pursuant to the Security Agreement the Assignor has granted to the Agent, for the ratable benefit of the Banks and the Agent, a continuing security interest in and lien on the Collateral including the Pledged Patents and the Pledged Trademarks). The Security Agreement, and all rights and interests of the Agent in and to the Collateral (including the Pledged Trademarks) thereunder, are hereby ratified and confirmed in all respects. In no event shall this Patent and Trademark Security Agreement, the grant, assignment, transfer and conveyance of the Pledged Patents or the Pledged Trademarks hereunder, or the recordation of this Patent and Trademark Security Agreement (or any document hereunder) with the PTO, adversely affect or impair, in any way or to any extent, the Security Agreement, the security interest of the Agent in the Collateral (including the Pledged Patents and the Pledged Trademarks) pursuant to the Security Agreement and this Patent and Trademark Security Agreement, the attachment and perfection of such security interest under the Uniform Commercial Code (including the security interest in the Pledged Patents and the Pledged Marks), or any present or future rights and interests of the Agent in and to the Collateral under or in connection with the Security Agreement, this Patent and Trademark Security Agreement or the Uniform Commercial Code. Any and all rights and interests of the Agent in and to the Pledged Patents and the Pledged Trademarks (and any and all obligations of the Assignor with respect to the Pledged Patents and the Pledged Trademarks) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of the Agent (and the obligations of the Assignor) in, to or with respect to the Collateral (including the Pledged Patents and the Pledged Trademarks) provided in or arising under or in connection with the Security Agreement and shall not be in derogation thereof.

3. REPRESENTATIONS. WARRANTIES AND COVENANTS.

The Assignor represents, warrants and covenants that: (i) Schedule A sets forth a true and complete list of all Patents, Patent Registrations, Trademarks and Trademark Registrations now owned, licensed, controlled or used by the Assignor; (ii) the Patents, Patent Registrations, Trademarks and Trademark Registrations are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and there is no litigation or proceeding pending concerning the validity or enforceability of the Patents, Patent Registrations, Trademarks or Trademark Registrations; (iii) to the best of the Assignor's knowledge, each of the Patents and Patent Registrations, Trademarks and Trademark Registrations is valid and enforceable; (iv) to the best of the Assignor's knowledge, there is no infringement by others of the Patents, Patent Registrations or Patent Rights, Trademarks, Trademark Registrations or Trademark Rights; (v) to the best of the Assignor's knowledge, no claim has been made that the use of any of the Patents or Trademarks does or may violate the rights of any third person, and to the best of the Assignor's knowledge, there is no infringement by the Assignor of the patent or trademark rights of others; (vi) the Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents or Trademarks (other than ownership and other rights reserved by third party owners with respect to Patents or Trademarks that the Assignor is licensed to use), free and clear of any liens, charges, encumbrances and adverse claims, including pledges, assignments, licenses, registered user agreements and covenants by the Assignor not to sue third persons, other than the security interest and assignment created by the Security Agreement and this Patent and Trademark Security Agreement; (vii) the Assignor has the unqualified right to enter into this Patent and Trademark Security Agreement and to perform its terms; (viii) the Assignor has used, and will continue to use, proper statutory and other appropriate proprietary notices in connection with its use of the Patents or Trademarks; (ix) the Assignor has used, and will continue to use for the duration of this Patent and Trademark Security Agreement, consistent standards of quality in its manufacture and provision of products and services sold or provided under the Patents or Trademarks; (x) this Patent and Trademark Security Agreement, together with the Security Agreement, will create in favor of the Agent a valid and perfected first priority security interest in the Pledged Patents and the Pledged Trademarks upon making the filings referred to in clause (xi) of this §3; and (xi) except for the filing of financing statements with the Secretary of State for the State of Delaware under the Uniform Commercial Code and the recording of this Patent and Trademark Security Agreement with the PTO, no authorization, approval or other action by, and no notice to or filing with, any governmental or regulatory authority, agency or office is required either (A) for the grant by the Assignor or the effectiveness of the security interest and assignment granted hereby or for the execution, delivery and performance of this Patent and Trademark Security Agreement by the Assignor, or (B) for the perfection of or the exercise by the Agent of any of its rights and remedies hereunder.

4. INSPECTION RIGHTS.

The Assignor hereby grants to each of the Agent and the Banks and its employees and agents the right to visit the Assignor's plants and facilities that manufacture, inspect or store products sold under any of the Patents or Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours.

5. NO TRANSFER OR INCONSISTENT AGREEMENTS.

Without the Agent's prior written consent the Assignor will not (i) mortgage, pledge, assign, encumber, grant a security interest in, transfer, license or alienate any of the Pledged Patents or Pledged Trademarks, or (ii) enter into any agreement (for example, a license agreement) that is inconsistent with the Assignor's obligations under this Patent or Trademark Security Agreement or the Security Agreement.

6. AFTER-ACQUIRED PATENTS AND TRADEMARKS, ETC.

6.1. After-acquired Patents and Trademarks. If, before the Obligations shall have been finally paid and satisfied in full, the Assignor shall obtain any right, title or interest in or to any other or new Patents, Patent Registrations or Patent Rights, Trademarks, Trademark Registrations or Trademark Rights, the provisions of this Patent and Trademark Security Agreement shall automatically apply thereto and the Assignor shall promptly provide to the Agent notice thereof in writing and execute and deliver to the Agent such documents or instruments as the Agent may reasonably request further to implement, preserve or evidence the Agent's interest therein.

6.2. Amendment to Schedule. The Assignor authorizes the Agent to modify this Patent and Trademark Agreement and the Assignment of Marks and the Assignment of Patents, without the necessity of the Assignor's further approval or signature, by amending Exhibit A and Exhibit B hereto and the Annex to the Assignment of Marks and the Assignment of Patents to include any future or other Patents, Patent Registrations and Patent Rights, Trademarks, Trademark Registrations or Trademark Rights under §2 or §6.

7. PATENT AND TRADEMARK PROSECUTION.

7.1. Assignor Responsible. The Assignor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with the Pledged Patents and Pledged Trademarks, and shall hold each of the Agent and the Banks harmless from any and all costs, damages, liabilities and expenses that may be incurred by the Agent or any Lender in connection with the Agent's interest in the Pledged Patents or the Pledged Trademarks or any other action or failure to act in connection with this Patent and Trademark Security Agreement or the transactions contemplated hereby other than those costs, damages, liabilities and expenses that are a result of the gross negligence or willful misconduct of the Agent or any of the Banks. In respect of such responsibility, the Assignor shall retain patent or trademark counsel reasonably acceptable to the Agent.

7.2. Assignor's Duties, etc. The Assignor shall have the right and the duty, through trademark counsel acceptable to the Agent, to prosecute diligently any trademark registration applications of the Trademarks pending as of the date of this Patent and Trademark Agreement or thereafter, to preserve and maintain all rights in the Patents, Patent Registrations, Trademarks and Trademark Registrations, including the filing of appropriate renewal applications and other instruments to maintain in effect the Patent Registrations, Trademark Registrations and the payment when due of all registration renewal fees and other fees, taxes and other expenses that shall be incurred or that shall accrue with respect to any of the Patents or Patent Registrations,

Trademarks or Trademark Registrations. Any expenses incurred in connection with such applications and actions shall be borne by the Assignor. The Assignor shall not abandon any filed trademark registration application, or any Patent Registration or Patent, Trademark Registration or Trademark, without the consent of the Agent, which consent shall not be unreasonably withheld.

7.3. Assignor's Enforcement Rights. The Assignor shall have the right and the duty to bring suit or other action in the Assignor's own name to maintain and enforce the Patents, the Patent Registrations and the Patent Rights, Trademarks, the Trademark Registrations and the Trademark Rights. The Assignor may require the Agent to join in such suit or action as necessary to assure the Assignor's ability to bring and maintain any such suit or action in any proper forum if (but only if) the Agent is completely satisfied that such joinder will not subject the Agent or any Lender to any risk of liability. The Assignor shall promptly, upon demand, reimburse and indemnify the Agent for all damages, costs and expenses, including reasonable legal fees, incurred by the Agent pursuant to this §7.3.

7.4. Protection of Patents, Trademarks, etc. In general, the Assignor shall take any and all such actions (including institution and maintenance of suits, proceedings or actions) as may be necessary or appropriate to properly maintain, protect, preserve, care for and enforce the Pledged Patents and the Pledged Trademarks. The Assignor shall not take or fail to take any action, nor permit any action to be taken or not taken by others under its control, that would adversely affect the validity, grant or enforcement of the Pledged Patents and the Pledged Trademarks.

7.5. Notification by Assignor. Promptly upon obtaining knowledge thereof, the Assignor will notify the Agent in writing of the institution of, or any final adverse determination in, any proceeding in the PTO or any similar office or agency of the United States or any foreign country, or any court, regarding the validity of any of the Patents or Patent Registrations, Trademarks or Trademark Registrations or the Assignor's rights, title or interests in and to the Pledged Patents or the Pledged Trademarks, and of any event that does or reasonably could materially adversely affect the value of any of the Pledged Patents or Pledged Trademarks, the ability of the Assignor or the Agent to dispose of any of the Pledged Patents or Pledged Trademarks or the rights and remedies of the Agent in relation thereto (including but not limited to the levy of any legal process against any of the Pledged Patents or the Pledged Trademarks).

8. REMEDIES.

Upon the occurrence and during the continuance of an Event of Default, the Agent shall have, in addition to all other rights and remedies given it by this Patent and Trademark Security Agreement including, without limitation, those set forth in §2.2, the Credit Agreement, the Security Agreement and the other Loan Documents, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the Commonwealth of Massachusetts, and, without limiting the generality of the foregoing, the Agent may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to the Assignor, all of which are hereby expressly waived, sell or license at public or private sale or otherwise realize upon the whole or from time to time any part of the Pledged Patents and Pledged Trademarks, or any interest that the Assignor

may have therein, and after deducting from the proceeds of sale or other disposition of the Pledged Patents and Pledged Trademarks all expenses incurred by the Agent in attempting to enforce this Patent and Trademark Security Agreement (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations as set forth in or by reference in the Security Agreement. Notice of any sale, license or other disposition of the Pledged Patents and Pledged Trademarks shall be given to the Assignor at least ten (10) days before the time that any intended public sale or other public disposition of the Pledged Patents and Pledged Trademarks is to be made or after which any private sale or other private disposition of the Pledged Patents and Pledged Trademarks may be made, which the Assignor hereby agrees shall be reasonable notice of such public or private sale or other disposition. At any such sale or other disposition, the Agent may, to the extent permitted under applicable law, purchase or license the whole or any part of the Pledged Patents or Pledged Trademarks or interests therein sold, licensed or otherwise disposed of.

9. COLLATERAL PROTECTION.

If the Assignor shall fail to do any act that it has covenanted to do hereunder, or if any representation or warranty of the Assignor shall be breached, the Agent, in its own name or that of the Assignor (in the sole discretion of the Agent), may (but shall not be obligated to) do such act or remedy such breach (or cause such act to be done or such breach to be remedied), and the Assignor agrees promptly to reimburse the Agent for any reasonable cost or expense incurred by the Agent in so doing.

10. POWER OF ATTORNEY.

If any Event of Default shall have occurred and be continuing, the Assignor does hereby make, constitute and appoint the Agent (and any officer or agent of the Agent as the Agent may select in its exclusive discretion) as the Assignor's true and lawful attorney-in-fact, with full power of substitution and with the power to endorse the Assignor's name on all applications, documents, papers and instruments necessary for the Agent to use the Pledged Patents or Pledged Trademarks, or to grant or issue any exclusive or nonexclusive license of any of the Pledged Patents or Pledged Trademarks to any third person, or to take any and all actions necessary for the Agent to assign, pledge, convey or otherwise transfer title in or dispose of any of the Pledged Patents or Pledged Trademarks or any interest of the Assignor therein to any third person, and, in general, to execute and deliver any instruments or documents and do all other acts that the Assignor is obligated to execute and do hereunder. This power of attorney is coupled with an interest and shall be irrevocable for the duration of this Patent and Trademark Security Agreement.

11. FURTHER ASSURANCES.

The Assignor shall, at any time and from time to time, and at its expense, make, execute, acknowledge and deliver, and file and record as necessary or appropriate with governmental or regulatory authorities, agencies or offices, such agreements, assignments, documents and instruments, and do such other and further acts and things (including, without limitation, obtaining consents of third parties), as the Agent may request or as may be necessary or appropriate in order to implement and effect fully the intentions, purposes and provisions of this

Patent and Trademark Security Agreement, or to assure and confirm to the Agent the grant, perfection and priority of the Agent's security interest in the Pledged Patents and Pledged Trademarks.

12. TERMINATION.

At such time as all of the Obligations have been finally paid and satisfied in full, this Patent and Trademark Security Agreement shall terminate and the Agent shall, upon the written request and at the expense of the Assignor, execute and deliver to the Assignor all deeds, assignments and other instruments as may be necessary or proper to reassign and re-convey to and re-vest in the Assignor the entire right, title and interest to the Pledged Patents and the Pledged Trademarks previously granted, assigned, transferred and conveyed to the Agent by the Assignor pursuant to this Patent and Trademark Security Agreement, as fully as if this Patent and Trademark Security Agreement had not been made, subject to any disposition of all or any part thereof that may have been made by the Agent pursuant hereto or the Security Agreement.

13. COURSE OF DEALING.

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

14. EXPENSES.

Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and expenses incurred by the Agent in connection with the preparation of this Patent and Trademark Security Agreement and all other documents relating hereto, the consummation of the transactions contemplated hereby or the enforcement hereof, 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 or renewal fees, encumbrances, or otherwise protecting, maintaining or preserving the Pledged Patents and the Pledged Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Pledged Patents and the Pledged Trademarks, shall be borne and paid by the Assignor.

15. OVERDUE AMOUNTS.

Until paid, all amounts due and payable by the Assignor hereunder shall be a debt secured by the Pledged Patents and the Pledged Trademarks and other Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in the Credit Agreement.

16. NO ASSUMPTION OF LIABILITY; INDEMNIFICATION.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NEITHER THE AGENT NOR ANY LENDER ASSUMES ANY LIABILITIES

OF THE ASSIGNOR WITH RESPECT TO ANY CLAIM OR CLAIMS REGARDING THE ASSIGNOR'S OWNERSHIP OR PURPORTED OWNERSHIP OF, OR RIGHTS OR PURPORTED RIGHTS ARISING FROM, ANY OF THE PLEDGED PATENTS OR THE PLEDGED TRADEMARKS OR ANY USE, LICENSE OR SUBLICENSE THEREOF, WHETHER ARISING OUT OF ANY PAST, CURRENT OR FUTURE EVENT, CIRCUMSTANCE, ACT OR OMISSION OR OTHERWISE. ALL OF SUCH LIABILITIES SHALL BE EXCLUSIVELY THE RESPONSIBILITY OF THE ASSIGNOR, AND THE ASSIGNOR SHALL INDEMNIFY THE AGENT AND THE BANKS FOR ANY AND ALL COSTS, EXPENSES, DAMAGES AND CLAIMS, INCLUDING LEGAL FEES, INCURRED BY THE AGENT OR ANY LENDER WITH RESPECT TO SUCH LIABILITIES OTHER THAN THOSE COSTS, EXPENSES, DAMAGES AND CLAIMS THAT ARE A RESULT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE AGENT OR ANY OF THE BANKS.

17. NOTICES.

All notices and other communications made or required to be given pursuant to this Patent and Trademark Security Agreement shall be in writing and shall be delivered in hand, mailed by United States registered or certified first-class mail, postage prepaid, or sent by telegraph, teletype or telex and confirmed by delivery via courier or postal service, addressed as follows:

(a) if to the Assignor, **MAC-GRAY SERVICES, INC.** at 22 Water Street Cambridge, Massachusetts 02141, Attention: Chief Financial Officer or at such other address for notice as the Assignor shall last have furnished in writing to the person giving the notice, with copies to _____ and

(b) if to the Agent, **CITIZENS BANK OF MASSACHUSETTS** at 28 State Street, Boston, MA 02109, Attention: Michael St. Jean, Vice President or at such other address for notice as the Agent shall last have furnished in writing to the person giving the notice, with copies to Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. at One Financial Center Boston, MA 02111, Attention: Mary-Laura Greely, Esquire and Steven P. Rosenthal, Esquire;

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand to a responsible officer of the party to which it is directed, at the time of the receipt thereof by such officer, (ii) if sent by registered or certified first-class mail, postage prepaid, two (2) Business Days after the posting thereof, and (iii) if sent by telegraph, teletype, or telex, at the time of the dispatch thereof, if in normal business hours in the country of receipt, or otherwise at the opening of business on the following Business Day.

18. AMENDMENT AND WAIVER.

This Patent and Trademark Security Agreement is subject to modification only by a writing signed by the Agent (with the consent of the Majority Banks) and the Assignor, except as provided in §6.2. The Agent shall not be deemed to have waived any right hereunder unless

such waiver shall be in writing and signed by the Agent and the Majority Banks. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion.

19. GOVERNING LAW; CONSENT TO JURISDICTION.

THIS TRADEMARK AGREEMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS. The Assignor agrees that any suit for the enforcement of this Trademark Agreement may be brought in the courts of the Commonwealth of Massachusetts or any federal court sitting therein and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon the Assignor by mail at the address specified in §17. The Assignor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

20. WAIVER OF JURY TRIAL.

THE ASSIGNOR WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS PATENT AND TRADEMARK SECURITY AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS. Except as prohibited by law, the Assignor waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. The Assignor (i) certifies that neither the Agent or any Lender nor any representative, agent or attorney of the Agent or any Lender has represented, expressly or otherwise, that the Agent or any Lender would not, in the event of litigation, seek to enforce the foregoing waivers, and (ii) acknowledges that, in entering into the Second Amendment to the Credit Agreement the Agent and the Banks are relying upon, among other things, the waivers and certifications contained, in this §20.

21. MISCELLANEOUS.

The headings of each section of this Patent and Trademark Security Agreement are for convenience only and shall not define or limit the provisions thereof. This Patent and Trademark Security Agreement and all rights and obligations hereunder shall be binding upon the Assignor and its respective successors and assigns, and shall inure to the benefit of the Agent, the Banks and their respective successors and assigns. In the event of any irreconcilable conflict between the provisions of this Patent and Trademark Security Agreement and the Credit Agreement, or between this Patent and Trademark Security Agreement and the Security Agreement, the provisions of the Credit Agreement or the Security Agreement, as the case may be, shall control. If any term of this Patent and Trademark Security Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Patent and Trademark Security Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Assignor acknowledges receipt of a copy of this Patent and Trademark Security Agreement.

IN WITNESS WHEREOF, this Patent and Trademark Security Agreement has been executed as of the day and year first above written.

MAC-GRAY SERVICES, INC., as Assignor

By: Michael J. Shea
Name: Michael J. Shea
Title: Treasurer

CITIZENS BANK OF MASSACHUSETTS,
as Agent

By: Michael St. Jean
Name: Michael St. Jean
Title: Vice President

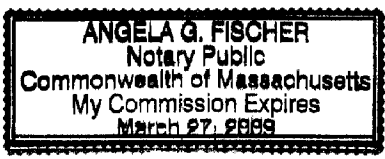
CERTIFICATE OF ACKNOWLEDGEMENT

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF Middlesex) ss.
)

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 25 day of June, 2003, personally appeared Michael J. Shea to me known personally, and who, being by me duly sworn, deposes and says that (s)he is the Treasurer of MAC-GRAY SERVICES, INC., and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said Michael J. Shea acknowledged said instrument to be the free act and deed of said corporation

Angela G. Fischer
Notary Public
My commission expires:



SCHEDULE A

Trademarks and Trademark Registrations

Mac-Gray Services, Inc.

<u>Trademark</u>	<u>Serial/Reg. No.</u>	<u>Registration/Filing Date</u>
MICRO FRIDGE	2,708,125	April 5, 2003
SAFE PLUG	76/460,532	October 8, 2002
SUPERCYCLE	76/460,531	October 8, 2002
LEASE RELEASE	75/866,207	December 7, 1999
LIFE JUST GOT EASIER	2,290,643	November 2, 1999
INTELLIPASS	75/524,354	July 24, 1998
MAC GRAY and Design	75/376,602	October 21, 1997
MAC-GRAY (block letter)	75/377,167	October 21, 1997
*THE FUTURE OF MANAGED LAUNDRY SYSTEMS	2,057,072	April 29, 1997
* AMV AMERIVEND	1,995,184	August 20, 1996
* SMARTRAC	1,921,783	September 26, 1995

Patents and Patent Registrations

Registrations

United States Patent and Trademark Office

Patents

Registration No.

Registration Date

Pending Applications

United States Patent and Trademark Office

Patents

Registration No.

Registration Date

EXHIBIT A

ASSIGNMENT OF TRADEMARKS AND SERVICE MARKS (U.S.)

WHEREAS, **MAC-GRAY SERVICES, INC.**, a corporation organized and existing under the laws of the Commonwealth of Massachusetts, having a place of business at 22 Water Street, Cambridge, Massachusetts 02141 (the "Assignor"), has adopted and used and is using the trademarks and service marks (the "Marks") identified on the Annex hereto, and is the owner of the registrations of and pending registration applications for such Marks in the United States Patent and Trademark Office identified on such Annex, and

WHEREAS, **CITIZENS BANK OF MASSACHUSETTS**, having offices at 28 State Street, Boston, MA 02109 (the "Assignee"), is desirous of acquiring the Marks and the registrations thereof and registration applications therefor;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Marks, together with (i) the registrations of and registration applications for the Marks, (ii) the goodwill of the business symbolized by and associated with the Marks and the registrations thereof, and (iii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Marks or the registrations thereof or such associated goodwill, together with the right to claim priority thereto

This Assignment of Trademarks and Service Marks (U.S.) is intended to and shall take effect as a sealed instrument at such time as the Assignee shall complete this instrument by inserting its name in the second paragraph above and signing its acceptance of this Assignment of Trademarks and Service Marks (U.S.) below.

IN WITNESS WHEREOF, the Assignor, by its duly authorized officer, has executed this assignment, as an instrument under seal, on this ___ day of June, 2003.

MAC-GRAY SERVICES, INC.

By: _____

Name:

Title:

The foregoing assignment of the Marks and the registrations thereof and registration applications therefor by the Assignor to the Assignee is hereby accepted as of the ___ day of June, 2003.

CITIZENS BANK OF MASSACHUSETTS

By: _____

Name: Michael St. Jean

Title: Vice President

COMMONWEALTH OF MASSACHUSETTS

) ss.

COUNTY OF _____)

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 15th day of June, 2003, personally appeared _____ to me known personally, and who, being by me duly sworn, deposes and says that (s)he is the _____ of MAC-GRAY SERVICES, INC., and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

My commission expires:

EXHIBIT B

ASSIGNMENT OF PATENTS

WHEREAS, **MAC-GRAY SERVICES, INC.**, a corporation organized and existing under the laws of the Commonwealth of Massachusetts, having a place of business at 22 Water Street, Cambridge, Massachusetts 02141 (the "Assignor"), has adopted and used and is using the patents (the "Patents") identified on the Annex hereto, and is the owner of the registrations of and pending registration applications for such Patents in the United States Patent and Trademark Office identified on such Annex, and

WHEREAS, **CITIZENS BANK OF MASSACHUSETTS**, having offices at 28 State Street, Boston, MA 02109 (the "Assignee"), is desirous of acquiring the Patents and the registrations thereof and registration applications therefor;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Patents, together with (i) the registrations of and registration applications for the Patents, (ii) the goodwill of the business symbolized by and associated with the Patents and the registrations thereof, and (iii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Patents or the registrations thereof or such associated goodwill, together with the right to claim priority thereto.

This Assignment of Patents (U.S.) is intended to and shall take effect as a sealed instrument at such time as the Assignee shall complete this instrument by inserting its name in the second paragraph above and signing its acceptance of this Assignment of Patents (U.S.) below.

IN WITNESS WHEREOF, the Assignor, by its duly authorized officer, has executed this assignment, as an instrument under seal, on this ___ day of June, 2003.

MAC-GRAY SERVICES, INC.

By: _____

Name:

Title:

The foregoing assignment of the Patents and the registrations thereof and registration applications therefor by the Assignor to the Assignee is hereby accepted as of the ___ day of June, 2003.

CITIZENS BANK OF MASSACHUSETTS

By: _____

Name: Michael St. Jean

Title: Vice President

COMMONWEALTH OF MASSACHUSETTS

) ss.

COUNTY OF _____)

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this ___ day of June, 2003, personally appeared _____ to me known personally, and who, being by me duly sworn, deposes and says that (s)he is the _____ of MAC-GRAY SERVICES, INC., and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

My commission expires: