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U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office

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OMB No. 0651-0011 (exp. 4/94)

Tab settings

To the Honorable Commissioner of

100739105

Please record the attached original documents or copy thereof.

86-12-5
NEW

1. Name of conveying party(ies):

Azurel, Ltd.

U.S. Patent & TMO/TM Mail Receipt Dt. #58



05-21-1998

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

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

3. Nature of conveyance:

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

Execution Date: February 6, 1998

2. Name and address of receiving party(ies)

Name: FINOVA Capital Corporation

Internal Address:

Street Address: 111 West 40th Street

City: New York State: NY ZIP: 10018

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from assignment)

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

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

A. Trademark Application No.(s)

See Schedule A annexed hereto.

B. Trademark Registration No.(s)

See Schedule A annexed hereto.

Additional numbers attached? Yes No

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

Name: Jeffrey A. Wurst, Esq.

Internal Address: Ruskin, Moscou, Evans &

Faltischek, P.C.

Street Address: 170 Old Country Road

City: Mineola State: NY ZIP: 11501

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41) \$ 40.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

06/11/1998 JSHRBAZZ 00000000 2124435

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40.00 DP

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.

Melissa Schneck, AVP

Name of Person Signing

Melissa Schneck

Signature

5/13/98

Date

Total number of pages including cover sheet, attachments, and document: 9

Mail documents to be recorded with required cover sheet information to: Commissioner of Patents & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 1739 FRAME: 0892

TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT

THIS AGREEMENT is made as of the 6th day of February, 1998 between Azurel Ltd., a Delaware corporation having an address at 509 Madison Avenue, New York, New York 10022 ("Assignor") and FINOVA Capital Corporation, a Delaware corporation with an address at 111 West 40th Street, New York, New York 10018 ("FINOVA").

WHEREAS, Assignor and FINOVA have or shall enter into a certain financing arrangement (the "Financing") which shall be evidenced in part by a certain Security Agreement dated the date hereof by and between Assignor and FINOVA (the "Security Agreement"). In order to induce FINOVA to enter into the Financing, Assignor has agreed to assign to FINOVA as collateral security certain trademark rights. This Trademark Collateral Assignment is being executed contemporaneous with the Security Agreement under which FINOVA is granted a lien on and security interest in, among other things, accounts receivable, inventory, machinery, equipment formulations, manufacturing procedures, quality control procedures, product specifications, deposits, contract rights and general intangibles ("Other Assets") relating to products sold under the Trademarks, whereby FINOVA shall have the right to foreclose on the Trademarks and the Other Assets in the event FINOVA alleges the occurrence of an Event of Default under the Security Agreement, in order that the owner of the Trademarks may continue the manufacture of products to be sold under the Trademarks and maintain substantially the same product specifications and quality as maintained by Assignor.

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

1. To secure the complete and timely satisfaction of all of the Obligations (as such term is defined in the Security Agreement), Assignor hereby grants, assigns and conveys to FINOVA as collateral security the entire right, title and interest in and to the trademark applications and trademarks listed in Schedule A annexed hereto and made a part hereof (as the same may be amended pursuant hereto from time to time), including without limitation all renewals thereof, all proceeds of infringement suits, the right to sue for past, present and future infringements and all rights corresponding thereto throughout the world (all of the foregoing are collectively called the "Trademarks"), and the good will of the business to which each of the Trademarks relates.

2. Assignor represents, covenants and warrants that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable;

(b) To the best of Assignor's knowledge, each of the Trademarks is valid and enforceable;

(c) No claim has been made that the use of any of the Trademarks does or may violate the rights of any third person;

(d) Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, registered user agreements and covenants by Assignor not to sue third persons;

(e) Assignor has the unqualified right to enter into this Agreement and perform its terms;

(f) Assignor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Trademarks; and

(g) Assignor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Trademarks.

3. Assignor hereby grants to FINOVA and its employees and agents the right to visit Assignor's plants and facilities which manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control records relating thereto. Assignor shall do any and all acts reasonably required by FINOVA to ensure Assignor's compliance with paragraph 2(g).

4. Assignor agrees that, until all of the Obligations shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with Assignor's obligations under this Agreement, without FINOVA's prior written consent which consent FINOVA will not unreasonably withhold.

5. If, before the Obligations shall have been satisfied in full, Assignor shall obtain rights to any new trademarks, the provisions of paragraph 1 shall automatically apply thereto and Assignor shall give FINOVA prompt written notice thereof.

6. Assignor authorizes FINOVA to modify this Agreement by amending Schedule A to include any future trademarks and trademark applications covered by paragraphs 1 and 5 hereof.

7. Unless and until FINOVA shall allege the occurrence of an Event of Default (as defined in the Security Agreement), FINOVA hereby grants to Assignor the exclusive, nontransferable right and license to use the Trademarks on and in connection with products sold by Assignor, for Assignor's own benefit and account and for none other. Assignor agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to Assignor in this paragraph 7, without the prior written consent of FINOVA which consent FINOVA may withhold in its sole and absolute discretion.

8. If any Event of Default shall have been alleged by FINOVA, Assignor's license under the Trademarks, as set forth in paragraph 7, shall terminate forthwith, and FINOVA shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located and, without limiting the generality of the foregoing, FINOVA may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Assignor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in New York, or elsewhere, all or from time to time any of the Trademarks, or any interest which the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Trademarks all expenses (including all expenses for broker's fees and legal services), shall apply the residue of such proceeds after payment of the Obligations. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to the Assignor. Notice of any sale or other disposition of the Trademarks shall be given to Assignor at least five (5) days before the time of any intended public or private sale or other disposition of the Trademarks is to be made, which Assignor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, any holder of any Notice (as defined in the Security Agreement) or FINOVA may, to

the extent permissible under applicable law, purchase the whole or any part of the Trademarks sold, free from any right of redemption on the part of Assignor, which right is hereby waived and released.

9. At such time as Assignor shall completely satisfy all of the Obligations this Agreement shall terminate and FINOVA shall execute and deliver to Assignor all deeds, assignments and other instruments as may be necessary or proper to re-vest in Assignor full title to the Trademarks, subject to any disposition thereof which may have been made by FINOVA pursuant hereto.

10. Any and all fees, costs and expenses, of whatever kind or nature, including the attorney's fees and legal expenses incurred by FINOVA in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, shall be borne and paid by Assignor on demand by FINOVA and until so paid shall become part of the Obligations.

11. Assignor shall have the duty, through counsel acceptable to FINOVA, to prosecute diligently any trademark applications of the Trademarks pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full, to make federal application on registrable but unregistered Trademarks, to file and prosecute opposition and cancellation proceedings and to do any and all acts which are necessary or desirable to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with the Trademarks shall be borne by Assignor. Notwithstanding the foregoing, Assignor shall have the right to abandon any trademark application with the prior written consent of FINOVA, which consent shall not be unreasonably withheld. The Assignor shall not abandon any Trademark without the consent of FINOVA, which consent shall not be unreasonably withheld.

12. Assignor shall have the right, with the prior written consent of FINOVA, which will not be unreasonably withheld, to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Trademarks, in which event FINOVA may, if necessary, be joined as a nominal party to such suit if FINOVA shall have been satisfied that it is not thereby incurring any right of liability because of such joinder. Assignor shall promptly, upon demand, reimburse and indemnify FINOVA for all damages, costs and expenses, including attorney's fees, incurred by FINOVA in the fulfillment of the provisions of this paragraph 12.

13. In the event FINOVA alleges the occurrence of an Event of Default under the Security Agreement, Assignor hereby authorizes and empowers FINOVA to make, constitute and appoint any officer or agent of FINOVA as FINOVA may select, in its exclusive direction, as Assignor's true and lawful attorney-in-fact, with the power to endorse Assignor's name on all applications, documents, papers and instruments necessary for FINOVA to use the Trademarks, or to grant or issue any exclusive or nonexclusive license under the Trademarks to anyone else, or necessary for FINOVA to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else. Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.

14. If Assignor fails to comply with any of its obligations hereunder, FINOVA may do so in Assignor's name or in FINOVA's name, but at Assignor's expense, and Assignor hereby agrees to reimburse FINOVA in full for all expenses, including attorney's fees, incurred by FINOVA in protecting, defending and maintaining the Trademarks. Notwithstanding the foregoing, FINOVA agrees that it will not take any action to enforce its rights under this paragraph until thirty (30) days after an Event of Default.

15. No course of dealing between Assignor and FINOVA, nor any failure to exercise, nor any delay in exercising, on the part of FINOVA, any right power or privilege hereunder or under the Security 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.

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

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

18. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 6.

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

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

IN WITNESS WHEREOF, the execution hereof under seal as of the day and year first above written.

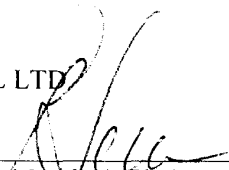
ATTEST:



Van Christakos, Secretary

AZUREL LTD

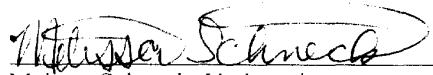
By:



Gerard Serron, Chairman of the Board

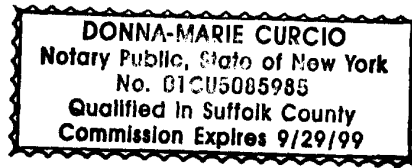
FINOVA Capital Corporation

By:

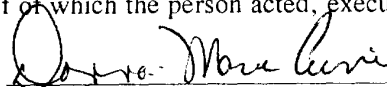


Melissa Schneck, Underwriter

STATE OF New York)
) ss.:
COUNTY OF Suffolk)



On this 27 day of April, in the year 1998, before me, the undersigned, a Notary Public in and for said state, personally appeared Gerard Semhon, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.


Notary Public

Schedule A to Trademark Collateral Assignment dated as of February 6, 1998 between Azurel Ltd. and FINOVA Capital Corporation.

<u>Trade/Service Name</u>	<u>Application or Mark or Serial No.</u>	<u>Country</u>	<u>Registration or Filing Date</u>	<u>Expiration Date</u>
Sports Extreme USA	Registration No. 2124455		Registration Date 12/23/97	12/23/2007

SPECIAL POWER OF ATTORNEY


STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

KNOW ALL MEN BY THESE PRESENTS, that Azurel Ltd., a Delaware corporation, having an address at 509 Madison Avenue, New York, New York 10022 ("Borrower"), pursuant to a Trademark Collateral Assignment and Security Agreement, dated the date hereof (the "Security Agreement"), hereby appoints and constitutes FINOVA CAPITAL CORPORATION, a Delaware corporation, with an address at 111 West 40th Street, New York, New York 10018 ("FINOVA"), its true and lawful attorney, with full power of substitution, and with full power and authority to perform the following acts on behalf of Borrower:


1. Assigning, selling or otherwise disposing of all right, title and interest of Borrower in and to the patents and trademarks listed on Schedule A of the Security Agreement, and including those patents and trademarks which are added to the same subsequent hereto, and all registrations and recordings thereof, and all pending applications therefor, and for the purpose of the recording, registering and filing of, or accomplishing any other formality with respect to, the foregoing, and to execute and deliver any and all agreements, documents, instruments of assignment or other writings necessary or advisable to effect such purpose;
2. To execute any and all documents, statements, certificates or other writings necessary or advisable in order to effect the purposes described above as FINOVA may in its sole discretion determine.

This power of attorney is made pursuant to the Security Agreement, dated the date hereof, between Borrower and FINOVA and may not be revoked until the payment in full of all Obligations as defined in the Security Agreement.

ATTEST:



Van Christakos, Secretary

AZUREL LTD.
By: 

Gerard Senthon, Chairman of the Board



Ruskin, Moscou, Evans & Faltischek, P.C.

COUNSELORS AT LAW

170 Old Country Road
Mineola, NY 11501-4366
(516) 663-6600
(212) 688-8300
FAX (516) 663-6601

NYC: 641 Lexington Avenue
New York, NY 10016

Suffolk: 350 Motor Parkway
Hauppauge, NY 11788

Westchester: 175 Memorial Highway
New Rochelle, NY 10801

Writer's Direct Dial: (516) 663-6585
Writer's Direct Fax: (516) 663-6678

U.S. Patent & TMO/TM Mail Receipt Dt. #58



05-21-1998

Irvin Brum	Leora F. Ardizzone
Douglas A. Cooper	Billy P. Ascione
Raymond S. Evans	Alexander G. Bateman, Jr.
Michael L. Faltischek	Allan E. Binder
Michael K. Feigenbaum	Steven P. Block*□
Douglas J. Good	Vivian Breier
Mark S. Mulholland	Adam L. Browser□
Gregory J. Naclerio	Yang Cha
Paul Rubell□	John A. DeMaro
Melvyn B. Ruskin	Karen J. DeSalvo▽
Kevin Schlosser	Joseph R. Harbeson
Benjamin Weinstock	Joon Pyo Hong
Jeffrey A. Wurst	Margo L. Intrator□
Joseph J. Moscou	Ellen F. Kessler
(1929-1996)	David S. Koffler
	Hector D. LaSalle

David A. Manko*
Julia S. Marx
Robert F. Regan▽□
Brian P. Schechter
Jeffrey M. Schlossberg*□
Robert P. Schreiber□
Adam P. Silvers
Scott E. Silverstein
Daniel Weisz
Vincent J. Wiscovitch□
Of Counsel:
Norman M. Friedland
Arthur H. Goldberg
Dean G. Skelos
William A. Ubert

Also admitted in:
*California
▽Connecticut
□New Jersey

May 20, 1998

VIA FEDERAL EXPRESS

Commissioner of Patents & Trademarks
U.S. Department of Commerce
Patent and Trademark Office
2900 Crystal Drive, 10th Floor
Assignment Division
Arlington, Virginia 22202

Re: Conveying Party: Azurel Ltd.
Receiving Party: FINOVA Capital Corporation

Dear Sir/Madam:

Enclosed for filing please find an original Recordation Form coversheet for trademarks together with Trademark Collateral Assignment and Security Agreement for the above-referenced party. A check made payable to the order of the Commissioner of Patents and Trademarks in the amount of \$40.00, the appropriate filing fee, is enclosed.

Kindly acknowledge receipt and filing of the foregoing on the self-addressed, stamped postcard provided and return same.

Thank you for your attention to this matter.

Very truly yours,

KAREN J. DeSALVO
For the Firm

Enclosures
KJD:jad

cc: Melissa Schneck