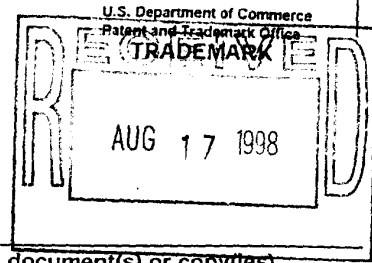


09-02-1998



REC 100805206
TRADEMARKS ONLY



MRD
8-17-98

EET

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID # _____
- Correction of PTO Error
Reel # _____ Frame # _____
- Corrective Document
Reel # _____ Frame # _____

Conveyance Type

- Assignment
- License
- Security Agreement
- Nunc Pro Tunc Assignment
Effective Date
Month Day Year

- Merger
- Change of Name
- Other _____

Conveying Party

Mark if additional names of conveying parties attached

Name Reeves International of New Jersey, Inc.

Execution Date
Month Day Year
4/9/98

Formerly _____

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other _____
- Citizenship/State of Incorporation/Organization New Jersey

Receiving Party

Mark if additional names of receiving parties attached

Name Fleet Bank, N.A.

DBA/AKATA _____

Composed of _____

Address (line 1) ABL Department Mail Stop NJSPW03I

Address (line 2) 1125 Route 22 West 3rd Floor

Address (line 3) Bridgewater

New Jersey

08807

City

State/Country

Zip Code

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other _____
- Citizenship/State of Incorporation/Organization _____

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

09/25/1998 JSHABAZZ 00000121 022555 2097003

FOR OFFICE USE ONLY

FC:481 40.00 CH

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Commissioner of Patents and Trademarks, Box Assignments I Washington, D.C. 20231

REEL: 1776 FRAME: 0206

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

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. Charges to deposit account are authorized, as indicated herein.

Timothy D. Pecsénye

Name of Person Signing



Signature

2-14-99

Date Signed

PATENTS, TRADEMARKS, COPYRIGHTS, AND LICENSES
SECURITY AGREEMENT

This Patents, Trademarks, Copyrights, and Licenses Security Agreement ("Agreement") is made as of the 9th day of April 1998, by REEVES INTERNATIONAL OF NEW JERSEY, INC., a New Jersey corporation ("Borrower"), having a mailing address at 14 Industrial Road, Pequannock, New Jersey 07440 and delivered to FLEET BANK, N.A. ("Lender").

BACKGROUND

A. This Agreement is being executed contemporaneously with that certain Loan and Security Agreement of even date herewith among Borrower and Lender (as it may hereafter be supplemented, restated, amended, superseded or replaced from time to time, the "Loan Agreement"), under which Borrower is granting Lender a lien on and security interest in certain assets of Borrower associated with or relating to products leased or sold or services provided under Borrower's patents, trademarks, copyrights and the goodwill associated therewith, and under which Lender is entitled to foreclose or otherwise deal with such assets, patents, patents, patent rights, patent applications, goodwill, trademarks, servicemarks, tradenames, copyrights, and copyright applications under the terms and conditions set forth therein. Capitalized terms not defined herein shall have the meanings given to such terms in the Loan Agreement.

B. Borrower has adopted, used and is using (or has filed applications for the registration of) the patents, patent rights, and patent applications (collectively, "Patents"); trademarks, servicemarks, tradenames, service trademark applications, and service tradenames (collectively, "Trademarks"); copyrights, and copyright applications and licenses (collectively "Copyrights"); and goodwill associated thereto ("Goodwill") listed on Schedule "A" attached hereto and made part hereof (all such Patents, Marks, Copyrights or Goodwill hereinafter referred to as the "Assets").

C. Pursuant to the Loan Agreement, Lender is acquiring a lien on, and security interest in, the Assets and the registration thereof, together with all the goodwill of Borrower associated therewith and represented thereby, as security for all of Borrowers' Obligations, and desires to have its security interest in such Assets confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office and United States Copyright Office, respectively.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Loan Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure Borrowers' Obligations, Borrower grants a lien and security interest to Lender in all of its

present and future right, title and interest in and to the Assets, together with all the goodwill of Borrower associated with and represented by the Assets, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. Borrower hereby covenants and agrees to maintain the Assets in full force and effect until all of Borrowers' Obligations are satisfied in full.

3. Borrower represents, warrants and covenants that:

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

(b) Each of the Assets is valid and enforceable;

(c) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Assets, and each of the Assets is free and clear of any liens, claims, charges and encumbrances, including, without limitation, pledges, assignments, licenses and covenants by Borrower not to sue third persons;

(d) Borrower has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(e) Borrower has complied with, and will continue for the duration of this Agreement to comply with, the requirements set forth in 15 U.S.C. §§1051-1127, 17 U.S.C. §101, et seq., 35 U.S.C. §101 et seq. and any other applicable statutes, rules and regulations in connection with its use of the Assets; and

(f) Each of the Assets listed on Schedule "A" constitute all of the Assets, and all applications for any of the foregoing, now owned by Borrower. If, before all Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated, Borrower shall (i) obtain rights to any new patentable inventions, trademarks, trademark registrations, tradenames, or copyrights or licenses, or (ii) become entitled to the benefit of any patent or trademark application, trademark, trademark registration, copyright or copyright registration or application or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto and such patent or trademark application, trademark, trademark registration, copyright or copyright registration or application or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent shall be deemed part of the Assets. Borrower shall give Lender prompt written notice thereof along with an amended Schedule "A."

4. Borrower further covenants that until all of Borrowers' Obligations have been satisfied in full, it will not enter into any agreement, including without limitation, license agreements or options, which are inconsistent with Borrower's obligations under this Agreement, except for agency, co-marketing and co-branding agreements.

5. So long as this Agreement is in effect and so long as Borrower has not received notice from Lender that an Event of Default has occurred and is continuing under the Loan Agreement and that Lender has elected to exercise its rights hereunder, and until Lender accelerates the Obligations of the Borrower under the Loan Agreement, Borrower shall continue to have the exclusive right to use the Assets and Lender shall have no right to use the Assets or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Assets to anyone else.

6. Borrower agrees not to sell, license, grant any option, assign or further encumber its rights and interest in the Assets without prior written consent of Lender.

7. If and while an Event of Default exists under the Loan Agreement and Lender is accelerating the Obligations of Borrower under the Loan Agreement, Borrower hereby covenants and agrees that Lender, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in New Jersey, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Assets covered hereby. For such purposes, during an Event of Default under the Loan Agreement and following the acceleration by Lender of Borrower's Obligations under the Loan Agreement, Borrower hereby authorizes and empowers Lender, its successors and assigns, and any officer or agent of Lender as Lender may select, in its exclusive discretion, as Borrower's true and lawful attorney-in-fact, with the power to endorse Borrower's name on all applications, assignments, documents, papers and instruments necessary for Lender to use the Assets or to grant or issue any exclusive or non-exclusive license under the Assets to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Assets to anyone else including, without limitation, the power to execute a trademark assignment in the form attached hereto as Exhibit 1. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms hereof, except for the gross negligence or wilful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Agreement, the Loan Documents, and until all Borrowers' Obligations are indefeasibly satisfied in full.

8. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Loan Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

9. All rights and remedies herein granted to Lender shall be in addition to any rights and remedies granted under the Loan Documents. In the event of an inconsistency between this Agreement and the Loan Agreement, the language of the Loan Agreement shall control.

10. Upon Borrowers' performance of all of the obligations under the Loan Documents and full and unconditional satisfaction of all of Borrowers' Obligations, Lender shall execute and deliver to Borrower all documents reasonably necessary to terminate Lender's security interest in the Assets.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Lender 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, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Assets, or in defending or prosecuting any actions or proceedings arising out of or related to the Assets, or defending, protecting or enforcing Lender's rights hereunder, in each case in accordance with the terms of this Agreement, shall be borne and paid by Borrower on demand by Lender and until so paid shall be added to the principal amount of Borrowers' Obligations and shall bear interest at the contractual per annum rate prescribed in the Loan Agreement applicable to the Revolving Credit Interest.

12. Subject to the terms of the Loan Agreement, Borrower shall have the duty to prosecute diligently any trademark application with respect to the Assets pending as of the date of this Agreement or thereafter, until Borrowers' Obligations shall have been satisfied in full, to preserve and maintain all rights in the Assets, and upon reasonable request of Lender, Borrower shall make federal application on registrable but unregistered patents, trademarks, copyrights or licenses belonging to Borrower. Any reasonable expenses incurred in connection with such applications shall be borne by Borrower. The Borrower shall not abandon any Patent, Trademark or Copyright without the prior written consent of the Lender.

13. Borrower shall have the right to bring suit in its own name to enforce the Assets, in which event Lender may, if Borrower reasonably deems it necessary, be joined as a nominal party to such suit if Lender shall have been satisfied, in its sole discretion, that it is not thereby incurring any risk of liability because of such joinder. Borrower shall promptly, upon demand, reimburse and indemnify Lender for all damages, reasonable costs and expenses, including attorneys' fees, incurred by Lender in the fulfillment of the provisions of this paragraph.

14. During the existence of an Event of Default under the Loan Agreement, Lender may, without any obligation to do so, complete any obligation of Borrower hereunder, in Borrower's name or in Lender's name, but at Borrower's expense, and Borrower hereby agrees to reimburse Lender in full for all reasonable costs and expenses, including attorneys' fees, incurred by Lender in protecting, defending and maintaining the Assets.

15. No course of dealing between Borrower and Lender nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Lender's rights and remedies with respect to the Assets, whether

established hereby or by the Loan Documents, or by any other future agreements between Borrower and Lender or by law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

17. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

18. This Agreement shall be governed by and construed in conformity with the laws of the State of New Jersey without regard to its otherwise applicable principles of conflicts of laws.

19. Borrower and Lender each waives any and all rights it may have to a jury trial in connection with any litigation, proceeding or counterclaim arising with respect to rights and obligations of the parties hereto or under the Loan Documents.

IN WITNESS WHEREOF, the parties hereto have executed this Patents, Trademarks, Licenses and Copyrights Security Agreement, under seal, the day and year first above written.

Reeves International of New Jersey, Inc.

By: 
Anthony Fleischmann, President

Approved and Accepted:

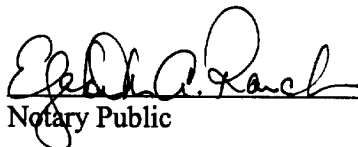
FLEET BANK, N.A.

By: 
Allan R. Jureus, V.P.

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF NEW JERSEY : SS
COUNTY OF MORRIS :

On this 9th of April, 1998, before me personally appeared Anthony Fishmann and Arthur Minnacci to me known and being duly sworn, deposes and says that they are Pres. and Secy, of Reeves International of New Jersey, Inc., respectively, the Borrower corporation described in the foregoing Agreement; that they know the seal of the corporation; that the seal so affixed to the Agreement is such corporate seal; that they signed the Agreement and affixed the seal of the corporation thereto as such officer pursuant to the authority vested in him by law; that the within Agreement is the voluntary act of such corporation; and they desire the same to be recorded as such.


Notary Public

My Commission Expires:

ELIZABETH A. RAUCH
A Notary Public of New Jersey
My Commission Expires 12/07/2002

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF NEW JERSEY : SS
COUNTY OF MORRIS :

On this 9th day of April, 1998, before me personally appeared Alan R. Julius
to me known and being duly sworn, deposes and says that s/he is Vice Pres of FLEET
BANK, N.A. the Lender described in the foregoing Agreement; that he signed the Agreement as
such officer pursuant to the authority vested in him by law; that the within Agreement is the
voluntary act of such corporation; and he desires the same to be recorded as such.



Notary Public

My Commission Expires:

ELIZABETH A. RAUCH
A Notary Public of New Jersey
My Commission Expires 12/07/2002

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE JP NEW JERSEY : SS
COUNTY OF EMERSON :

Flaishman On this 9th of April, 1998, before me personally appeared Anthony
Residen, to me known and being duly sworn, deposes and says that he is President
of Reeves International of New Jersey, Inc., the Grantor corporation described in the foregoing
Power of Attorney; that he knows the seal of the corporation; that the seal so affixed to the Power
of Attorney is such corporate seal; that he signed the Power of Attorney and affixed the seal of the
corporation thereto as such officer pursuant to the authority vested in him by law; that the within
Power of Attorney is the voluntary act of such corporation; and he desires the same to be recorded
as such.

Elizabeth A. Rauch
Notary Public

My Commission Expires:

ELIZABETH A. RAUCH
A Notary Public of New Jersey
My Commission Expires 12/07/2002

EXHIBIT A

Int. Cl.: 35

Prior U.S. Cls.: 100, 101 and 102

Reg. No. 2,097,003

United States Patent and Trademark Office

Registered Sep. 16, 1997

SERVICE MARK
PRINCIPAL REGISTER

BREYERFEST

REEVES INTERNATIONAL, INC. (NEW
JERSEY CORPORATION)
14 INDUSTRIAL ROAD
EQUANNOCK, NJ 07440

FIRST USE 7-0-1990; IN COMMERCE
7-0-1990.

OWNER OF U.S. REG. NOS. 1,126,701 AND
1,926,891.

FOR: CONDUCTING ANNUAL CONVEN-
TIONS IN THE FIELD OF MODEL HORSES, IN
CLASS 35 (U.S. CLS. 100, 101 AND 102).

SER. NO. 75-107,966, FILED 5-22-1996.

ANNE MADDEN, EXAMINING ATTORNEY