

11-05-1998

ONLY



10-14-1998

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ord the attached original documents or copy thereof.

and address of receiving party(ies):

U.S. Patent & TMOfc/TM Mail Rcpt Dt. #10

INTERNATIONAL CORPORATION

Name: IMPERIAL BANK

Internal Address: Suite 100

Street Address: 695 Town Center Drive

City: Costa Mesa State: CA ZIP: 92626

- Individual(s)
- General Partnership
- Corporation-State California
- Other

Additional names(s) of conveying party(ies) Yes No

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other California Charter Bank

If assignee is not domiciled in the United States, a domestic designation is Yes N
(Designations must be a separate document from Additional name(s) & address(es) Yes N

3. Nature of conveyance:

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

Execution Date: September 24, 1998

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

A. Trademark Application No.(s)

75/006,741
75/194,829
75/194,830

Additional numbers

B. Trademark Registration No.(s)

1,646,756

Yes No

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

Name: Anothony A. Adler, Esq.

Internal Address: MITCHELL, SILBERBERG
& KNUPP LLP

Street Address: 11377 West Olympic Boulevard

City: Los Angeles State: CA ZIP: 90064

6. Total number of applications and registrations involved:.....

4

7. Total fee (37 CFR 3.41):.....\$ 115.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

TRADEMARK OFFICE
US PATENT & TRADEMARK OFFICE
1998 OCT 14 A 11:01
TRADEMARK FEE PROCESS RECEIVED

11/04/1998 DMGUYEN 00000090 1646756

DO NOT USE THIS SPACE

01 FC:481 40.00 DP
02 FC:482 75.00 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.

Joseph G. Swan

Name of Person Signing

Joseph G. Swan 71,338
Signature

October 13, 1998

Date

Total number of pages including cover sheet, attachments, and

5

**MORTGAGE AND GRANT OF SECURITY INTEREST
WITH RESPECT TO TRADEMARKS**

KNOW ALL MEN BY THESE PRESENTS, that for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the undersigned, LUMENYTE INTERNATIONAL CORPORATION, a California corporation (the "Debtor" or "Borrower"), having an office located at 12 Whatney, Irvine, California 92618, does hereby irrevocably mortgage, pledge and grant a continuing security interest to IMPERIAL BANK, a California chartered bank (the "Secured Party" or "Bank") having an office located at 695 Town Center Drive, Suite 100, Costa Mesa, California 92626, and to the Secured Party's successors and assigns, in all right, title and interest of the Debtor, now owned or hereafter acquired throughout the universe, in and to all of the trade names, trademarks and/or service marks listed on Schedule A attached hereto, all applications pending with respect thereto, and all renewals and extensions thereof, and the goodwill associated with such marks and names (collectively, the "Trademarks"), as security for the payment and performance (whether presently existing or hereafter arising) of any and all indebtedness and obligations of the Debtor to the Bank (collectively, the "Obligations") in connection with the term loan of \$1,000,000 made pursuant to the terms of (i) that certain Commercial Security Agreement dated September 24, 1998, by and between Debtor and Secured Party (the "Loan Agreement"), (ii) that certain Security and Loan Agreement (with Addendum), dated September 24, 1998, by and between Debtor and Secured Party, (iii) Promissory Note, dated September 24, 1998 of Debtor in favor of Secured Party in the initial principal amount of \$1,000,000; and (iv) all other agreements and documents between Debtor and Secured Party relating to said \$1,000,000 term loan now existing or hereafter entered into, as any of the foregoing may be amended, modified, supplemented and/or restated from time to time (collectively, the "Loan Documents"). The repayment of the Obligations are also secured by all other personal property of the Debtor.

This Mortgage and Grant of Security Interest With Respect to Trademarks is subject to all of the applicable terms and conditions in the Loan Documents. Upon the occurrence of a default or breach under any of the Loan Documents, the Bank may exercise any and all rights and remedies of the Bank under the Loan Documents, and the laws of the State of California and of the United States of America and any other relevant jurisdictions.

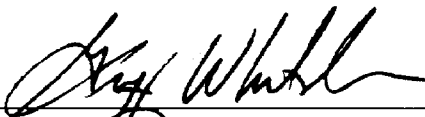
The Debtor does hereby irrevocably appoint the Bank as the Debtor's attorney in fact to do all acts and things permitted or contemplated by the terms hereof and/or any of the Loan Documents. This power of attorney is coupled with an interest and is irrevocable.

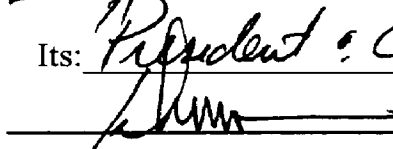
The Debtor agrees that if any person, corporation, partnership, trust, limited liability company or other entity shall do or perform any acts which the Bank in its good-faith judgment believes infringes any right of the Debtor or any right of the Bank in the Trademarks to the extent herein provided, then the Bank may and shall have the right to take such steps and institute such suits or proceedings as the Bank may in its good-faith judgment deem advisable or necessary to prevent such acts and conduct and to secure damages and other relief by reason thereof and to generally take such steps as may be advisable or necessary or proper in the Bank's good-faith judgment for the full protection of the rights of the parties, but the Bank shall not be obligated to do any of the foregoing. The Bank may take such steps or institute such suits or proceedings in its own name or in the name of the Debtor or in the names of the parties jointly.

This Mortgage and Grant of Security Interest With Respect to Trademarks shall in all respects be subject to, construed in accordance with and governed by, the laws of the State of California without giving effect to that State's choice of law rules.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the 24 day of September, 1998.

LUMENYTE INTERNATIONAL CORPORATION,
a California corporation

By: 
Its: President & CEO 9/24/98

By: 
Its: COO & CFO 9/24/98

ALL-PURPOSE ACKNOWLEDGMENT

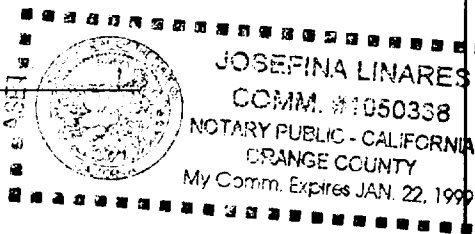
State of California)
County of Orange)

On October 1st, 1998 before me, Josefina Linares
DATE
personally appeared Gregg Whitaker and Theodore E Lavore
NAME(S) OF SIGNER(S)

personally known to me -OR-
 proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)
~~is~~ are subscribed to the within instrument and acknowledged to me that ~~he~~ they
executed the same in ~~his~~ their authorized capacity(ies), and that by ~~his~~ her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

Witness my hand and official seal.

Josefina Linares
SIGNATURE OF NOTARY



CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL(S)
- CORPORATE OFFICER(S) _____ TITLE(S) _____
- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- SUBSCRIBING WITNESS
- GUARDIAN/CONSERVATOR
- OTHER: _____

SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

OPTIONAL SECTION

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

TITLE OR TYPE OF DOCUMENT: Mortgage and Grant of Security Interest With Respect to Trademarks

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

NUMBER OF PAGES _____ DATE OF DOCUMENT _____

SIGNER(S) OTHER THAN NAMED ABOVE xxx

SCHEDULE A

DEBTOR:LUMENYTE INTERNATIONAL CORPORATION,
A CALIFORNIA CORPORATION

SECURED PARTY:IMPERIAL BANK, A CALIFORNIA CHARTERED BANK

<u>Name of Trademark</u>	<u>Date of Registration or Filing</u>	<u>Registration/Serial Number</u>
STA-FLEX	10/17/95	75/006,741
LUMENYTE	6/4/91	1,646,756
LUMENYTE	11/7/96	75/194,829
LUMENYTE	11/7/96	75/194,830