

01-27-1999

DEPARTMENT OF COMMERCE  
Patent and Trademark Office

TR



100951279

Send original documents or copy thereof

Tab settings

To the Honorable Commissioner of Patents:

66-92-1 GMM

1. Name of conveying party(ies):

THE NATIONAL LATEX PRODUCTS COMPANY

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

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

2. Name and address of receiving party(ies):

Name: GENERAL ELECTRIC CAPITAL CORPORATION

Internal Address:

Street Address: 40 Old Ridgebury Road

City: Danbury State: CT ZIP: 06810

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State New York
- 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

3. Nature of conveyance:

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

Execution Date: December 30, 1998

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

A. Trademark Application No.(s)

B. Trademark registration No.(s)

SEE ATTACHED SCHEDULE

Additional numbers attached?  Yes  No

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

Name: Mitchell M. Brand, Esq.

Internal Address:

OTTERBOURG, STEINDLER, HOUSTON & ROSEN, P.C.

Street Address: 230 Park Avenue

City: NY State: NY ZIP: 10169

6. Total number of applications and registrations involved:

13

7. Total fee (37 CFR 3.41): \$ 340

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

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

01/27/1999 TT0N11 00000173 2010793

DO NOT USE THIS SPACE

01 FC:481 40.00 OP  
02 FC:482 300.00 OP

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.

H. ROSS GILL, III

Name of Person Signing

Signature

12/30/98

Date

Total number of pages comprising cover sheet: 4

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

Do not detach this section:

Mail documents to be recorded with required cover sheet information to:

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

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

TRADEMARK

REEL: 1844 FRAME: 0626

**EXHIBIT A**

**TRADEMARKS**

Our File: 6072-H	Registration No.: 2,010,793
Trademark: SOCCER BOPPER	Issued: 10/22/96
Description of Goods: Playball attached to one end of an elastic cord having an ankle strap attached to the other end.	
Class(es): 28	Status: Registered; Affidavit of Use due 10/22/02

Our File: 6072-I	Registration No.: 2,001,875
Trademark: PAINT-A-LOON	Issued: 9/17/96
Description of Goods: Balloons and toy craft set for decorations.	
Class(es): 28	Status: Registered; Affidavit of Use due 09/17/02

Our File: 6072-L	Reg. No.: 2,010,982
Trademark: BUMPLES	Reg. Date: 10/22/96
Description of Goods: Playground balls.	
Class(es): 28	Status: Registered; Affidavit of Use due 10/22/02

Our File: 6072-M	Registration No.: 2,095,552
Trademark: AIRHEADS	Issued: 09/09/97
Description of Goods: Balloons and craft kits for decorating balloons comprised largely of stickers, paints, and markers sold as a unit.	
Class(es): 28	Status: Registered; Affidavit of Use due 09/09/03

Our File: 6072-N	Registration No.: 615,318
Trademark: BLUE BIRDS	Issued: 11/01/55
Description of Goods: Balloons and balls.	
Class(es): 28	Status: Registered; Affidavit of Use due 11/01/05

Our File: 6072-P	Registration No.: 2,178,685
Trademark: PLAY LOON	Issued: 10/02/97
Description of Goods: Balloons	
Class(es): 28	Status: Registered

Our File: 6072-U	Serial No.: 75/502,254
Trademark: SPLASH BASEBALL	Filing Date: 06/15/98
Description of Goods: Balloons	
Class(es): 28	Status: Pending.

Our File: 89066	Registration No.:
Trademark: SAFETITE	Issued: 06/04/85
Description of Goods: Toy balloon closures.	
Class(es):	Status: Registered

Our File: 93034	Registration No.: 1,553,856
Trademark: BALLOON SUPPLY OF AMERICA & design	Issued: 08/29/89
Owner: Balloons	
Class(es): 28	Status: Registered

Our File: 93037	Registration No.: 1,547,538
Trademark: WATER GRENADE & design	Issued: 07/11/89
Description of Goods: Balloons	
Class(es): 28	Status: Registered

Our File:	Registration No.: 1,888,597
Trademark: WATER GRENADE	Issued: 04/11/95
Description of Goods: Balloons and plastic faucet adapters for filling balloons sold as a unit.	
Class(es): 28	Status: Registered
Correspondent: J. Robert Cassidy 1822 Franklin Street Bellingham, WA 98225	

TRADEMARK: Wild-Side  
 REGISTRATION NUMBER: 2,135,978  
 DESCRIPTION OF GOODS: Used on balloons and Playground Balls  
 ISSUED: February 10, 1998  
 CLASS: International Class 28  
 STATUS: Registered

TRADEMARK: Water Grenade  
 REGISTRATION NUMBER: 1,888,597  
 DESCRIPTION OF GOODS: Balloons and Plastic Faucet Adapters for  
 filling balloons sold as a unit  
 ISSUED: April 11, 1995  
 CLASS: International Class 28  
 STATUS: Registered

## TRADEMARK SECURITY AGREEMENT

*304* THIS TRADEMARK SECURITY AGREEMENT ("Agreement") is made as of this day of December, 1998, by and between **THE NATIONAL LATEX PRODUCTS COMPANY**, an Ohio corporation ("**Debtor**"), with its chief executive office at 246 East Fourth Street, Ashland, Ohio 44805 and **GENERAL ELECTRIC CAPITAL CORPORATION**, ("**Secured Party**"), having an office at 40 Old Ridgebury Road, Danbury, Connecticut 06810.

### WITNESSETH:

**WHEREAS**, Debtor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the trademarks, trade names, terms, designs and applications therefor described in Exhibit A annexed hereto and made a part hereof; and

**WHEREAS**, Secured Party and Debtor are contemporaneously herewith entering into financing arrangements pursuant to which Secured Party may make loans and advances and provide other financial accommodations to Debtor as set forth in the Loan and Security Agreement, dated of even date herewith, by and between Secured Party and Debtor (the "**Loan Agreement**"), together with various other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, this Agreement (all of the foregoing, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "**Financing Agreements**"); and

**WHEREAS**, in order to induce Secured Party to enter into the Financing Agreements and to make loans and advances and provide other financial accommodations pursuant thereto, Debtor has agreed to grant to Secured Party certain collateral security as set forth herein;

**NOW, THEREFORE**, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby agrees as follows:

#### 1. GRANT OF SECURITY INTEREST

As collateral security for the prompt performance, observance and indefeasible payment in full of all of the Obligations (as hereinafter defined), Debtor hereby grants to Secured Party a continuing security interest in and a general lien upon, and hereby assigns and transfers to Secured Party as collateral security for the Obligations: (a) all of Debtor's now existing or hereafter acquired right, title, and interest in and to: (i) all of Debtor's trademarks, trade names, tradestyles and service marks; (ii) all prints and

labels on which said trademarks, trade names, tradestyles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; (iii) all applications, registrations and recordings relating to the foregoing in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other countries, and all reissues, extensions and renewals thereof including those trademarks, terms, designs and applications described in Exhibit A hereto (the "**Trademarks**"); (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; and (c) any and all proceeds of any of the foregoing, including, without limitation, any claims by Debtor against third parties for infringement of the Trademarks or any licenses with respect thereto (all of the foregoing are collectively referred to herein as the "**Collateral**").

## **2. OBLIGATIONS SECURED**

The security interest, lien and other interests granted to Secured Party pursuant to this Agreement shall secure the prompt performance, observance and indefeasible payment in full of any and all loans, indebtedness, liabilities and obligations of any kind owing by Debtor to Secured Party, however evidenced, whether as principal, guarantor or otherwise, whether arising under this Agreement, the other Financing Agreements or otherwise, whether now existing or hereafter arising, whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, original, renewed or extended and whether arising directly or acquired from others (including, without limitation, Secured Party's participations or interests in Debtor's obligations to others) and including, without limitation, Secured Party's charges, commissions, interest, expenses, costs and attorneys' fees chargeable to Debtor under this Agreement, the Financing Agreements or in connection with any of the foregoing (all hereinafter referred to as "**Obligations**").

## **3. REPRESENTATIONS, WARRANTIES AND COVENANTS**

Debtor hereby represents, warrants and covenants to Secured Party the following (which shall survive the execution and delivery of this Agreement), the truth and accuracy of which, or compliance with, being a continuing condition of the making of loans by Secured Party to Debtor under the Financing Agreements:

(a) Debtor will pay and perform all of the Obligations according to their terms.

(b) All of the existing Collateral is valid and subsisting in full force and effect, and Debtor owns the sole, full, and clear title thereto, and the right and power to grant the security interests granted hereunder. Debtor will, at Debtor's expense, perform all acts and execute all documents necessary to maintain the existence of the Collateral as valid, subsisting and registered trademarks, including, without limitation, the filing of any renewal affidavits and applications. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests, or encumbrances of any nature whatsoever, except the security interests granted hereunder and pursuant to the Financing Agreements.

(c) Debtor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating thereto, except as permitted herein, in the Financing Agreements, or otherwise dispose of any of the Collateral without the prior written consent of Secured Party. Nothing in this Agreement shall be deemed a consent by Secured Party to any such action, except as such action is expressly permitted hereunder.

(d) Debtor will, at Debtor's expense, perform all acts and execute all documents requested at any time by Secured Party to evidence, perfect, maintain, record, or enforce the security interest in the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Secured Party to execute and file one or more financing statements (or similar documents) with respect to the Collateral, signed only by Secured Party or as otherwise determined by Secured Party. Debtor further authorizes Secured Party to have this or any other similar security agreement filed with the Commissioner of Patents and Trademarks or other appropriate federal, state or government office.

(e) As of the date hereof, Debtor does not have any Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States other than those described in Exhibit A annexed hereto and has not granted any licenses with respect thereto.

(f) Debtor will, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Power of Attorney in the form of Exhibit B annexed hereto for the implementation, to be exercised only after the occurrence of an Event of Default (as defined below) and during its continuance, of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise of the rights and remedies granted to Secured Party hereunder.

(g) Secured Party may, in its discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by Secured Party to preserve, defend, protect, maintain, record, amend or enforce the Obligations, the Collateral, or the security interest granted hereunder including but not limited to all filing or recording fees, court costs, collection charges and reasonable attorneys' fees. Debtor will be liable to Secured Party for any such payment, which payment shall be deemed an advance by Secured Party to Debtor, shall be payable on demand together with interest at the then applicable rate set forth in the Financing Agreements and shall be part of the Obligations secured hereby.

(h) Debtor shall promptly notify Secured Party in the event that Debtor files any application for the registration of a Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States, any state therein, or any other country. Upon request of Secured Party, Debtor shall execute and deliver to Secured Party any and all assignments, agreements, instruments, documents and such other papers as may be requested by Secured Party to evidence the security interests of Secured Party in such Trademark.

(i) Debtor has not abandoned any of the Trademarks and Debtor will not do any act, nor omit to do any act, whereby the Trademarks may become abandoned, invalidated, unenforceable, avoided or avoidable. Debtor shall notify Secured Party immediately if it knows or has reason to know of any reason why any application, registration, or recording may become abandoned, canceled, invalidated, avoided, or avoidable.

(j) Debtor will render any assistance necessary to Secured Party in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States or any state therein or any other country to maintain such application and registration of the Trademarks as Debtor's exclusive property and to protect Secured Party's interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

(k) Debtor will promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design likely to cause confusion with any Trademark. If requested by Secured Party, Debtor, at Debtor's expense, shall join with Secured Party in such action as Secured Party, in its discretion, may deem advisable for the protection of Secured Party's interest in and to the Trademarks.



(l) Debtor assumes all responsibility and liability arising from the use of the Trademarks and Debtor hereby indemnifies and holds Secured Party harmless from and against any claim, suit, loss, damage, or expense (including attorneys' fees) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Trademark or out of the manufacture, promotion, labelling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof).

(m) Debtor will promptly pay Secured Party for any and all reasonable expenditures made by Secured Party pursuant to the provisions of this Agreement or for the defense, protection, or enforcement of the Obligations, the Collateral, or the security interests granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and reasonable attorneys' fees and legal expenses. Such expenditures shall be payable on demand, together with interest at the then applicable rate set forth in the Financing Agreements and shall be part of the Obligations secured hereby.

(n) Notwithstanding anything to the contrary contained herein, in connection with the assignment and transfer of the Collateral to Secured Party as security for the Obligations as set forth herein, so long as no Event of Default exists and is continuing, Secured Party hereby grants in favor of Debtor an exclusive royalty-free license to use or maintain the existence of the Collateral or to take any and all action required by Debtor to be taken hereunder with respect to the Collateral.

#### **4. EVENTS OF DEFAULT**

All Obligations shall become immediately due and payable, without notice or demand, at the option of Secured Party, upon the occurrence of any one or more of the Events of Default as defined in the Loan Agreement (each an "**Event of Default**" hereunder).

#### **5. RIGHTS AND REMEDIES**

Upon the occurrence of any such Event of Default and at any time thereafter, in addition to all other rights and remedies of Secured Party, whether provided under law, the Financing Agreements or otherwise, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor except as such notice or consent is expressly provided for hereunder.

(a) Secured Party may require that neither Debtor nor any affiliate or subsidiary of Debtor make any use of the Trademarks or any marks similar thereto for

any purpose whatsoever. Secured Party may make use of any Trademarks for the sale of goods, completion of work in process or rendering of services in connection with enforcing any other security interest granted to Secured Party by Debtor or any subsidiary of Debtor.

(b) Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Secured Party shall in its discretion deem appropriate. Such license or licenses may be general, special, or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Secured Party may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to Debtor of intended disposition of Collateral is required by law, the giving of five (5) days notice in the manner set forth in subparagraph 6(b) hereof shall be deemed reasonable notice thereof and Debtor waives any other notice with respect thereto. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in its discretion, deem appropriate or proper to complete such assignment, sale, or disposition.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to Subparagraph 5(c) hereof, Secured Party may at any time after the occurrence of an Event of Default and during its continuance execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in Subparagraph 3(f) hereof, one or more instruments of assignment of the Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Debtor agrees to pay Secured Party on demand all reasonable costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees and reasonable attorneys' fees and legal expenses.

(e) Secured Party may first apply the proceeds actually received from any such license, assignment, sale, or other disposition of Collateral to the costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel and other expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations as Secured Party may in its discretion determine. Debtor shall remain liable to Secured Party for any expenses or obligations remaining unpaid after the application of such proceeds,

and Debtor will pay Secured Party on demand any such unpaid amount, together with interest at a rate equal to the highest rate then payable on the Obligations.

(f) Debtor shall supply to Secured Party or its designee, Debtor's knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks and Debtor's customer lists and other records relating to the Trademarks and the distribution thereof.

(g) Nothing contained herein shall be construed as requiring Secured Party to take any such action at any time. All of Secured Party's rights and remedies, whether provided under law, the Financing Agreements, this Agreement, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

## **6. MISCELLANEOUS**

(a) Any failure or delay by Secured Party to require strict performance by Debtor of any of the provisions, warranties, terms, and conditions contained herein or in any other agreement, document, or instrument, shall not affect Secured Party or Secured Party's right to demand strict compliance and performance therewith, and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein or in any other agreement, document, or instrument shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers, or employees, but only by an instrument in writing, signed by an officer of Secured Party and directed to Debtor, specifying such waiver.

(b) All notices, requests and demands to or upon the respective parties hereto shall be given or made in accordance with the terms of the Loan Agreement.

(c) In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Agreement.

(d) All references to Debtor and Secured Party herein shall include their respective successors and assigns. All references to the term "person" or "Person" herein shall mean any individual, sole proprietorship, limited partnership, general partnership, corporation (including a business trust), unincorporated association, joint stock corporation, trust, joint venture, association, organization or other entity or government or any agency or instrumentality or political subdivision thereof.

(e) This Agreement shall be binding upon and for the benefit of the parties hereto and their respective successors and assigns. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement signed by the party to be charged thereby.

(f) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN ANY OF THE FINANCING AGREEMENTS, IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE, AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. DEBTOR HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN NEW YORK COUNTY, NEW YORK SHALL HAVE NON-EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN DEBTOR AND SECURED PARTY PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE LOAN AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS; PROVIDED, THAT SECURED PARTY AND DEBTOR ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF NEW YORK COUNTY, NEW YORK AND; PROVIDED, FURTHER, THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE SECURED PARTY FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF SECURED PARTY. DEBTOR EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND DEBTOR HEREBY WAIVES ANY OBJECTION WHICH DEBTOR MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. DEBTOR HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINTS AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO DEBTOR AT THE ADDRESS SET FORTH IN SCHEDULE 1.1 OF THE LOAN AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF DEBTOR'S ACTUAL RECEIPT THEREOF OR THREE (3) DAYS AFTER DEPOSIT IN THE U.S. MAILS, PROPER POSTAGE PREPAID.

(g) BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS IN A COURT OF COMPETENT JURISDICTION (AND NOT PURSUANT TO ARBITRATION). THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO AGREE THAT ALL OF THEIR DISPUTES WILL BE RESOLVED IN A COURT OF COMPETENT JURISDICTION (AND NOT BY ARBITRATION) AND WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN THE PARTIES ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH, THIS AGREEMENT, THE LOAN AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS HEREUNDER OR THEREUNDER.

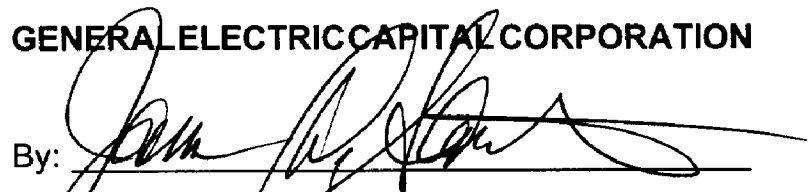
**IN WITNESS WHEREOF**, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

**THE NATIONAL LATEX PRODUCTS COMPANY**

By: 

Title: Pres.

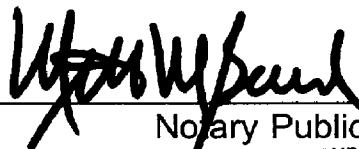
**GENERAL ELECTRIC CAPITAL CORPORATION**

By: 

Title: Duly Authorized Signatory

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

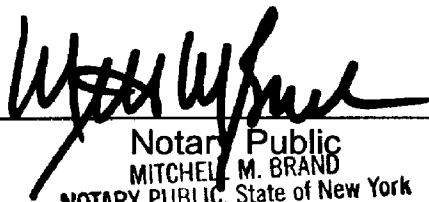
As of this 30<sup>th</sup> day of December, 1998, before me personally came H. Ross  
Gillitt, to me known, who, being duly sworn, did depose and say, that he is the  
President of THE NATIONAL LATEX PRODUCTS  
COMPANY, the corporation described in and which executed the foregoing instrument;  
and that he signed his name thereto by order of the Board of Directors of said  
corporation.



Notary Public  
MITCHELL M. BRAND  
NOTARY PUBLIC, State of New York  
No. 4832584  
Qualified in New York County  
Commission Expires March 30, 1999

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

As of this 30<sup>th</sup> day of December, 1998, before me personally came JAMES  
DESORTIS, to me known, who, being duly sworn, did depose and say, that he is a Duly  
Authorized Signatory of GENERAL ELECTRIC CAPITAL CORPORATION, the  
corporation described in and which executed the foregoing instrument; and that he  
signed his name thereto by order of said corporation.



Notary Public  
MITCHELL M. BRAND  
NOTARY PUBLIC, State of New York  
No. 4832584  
Qualified in New York County  
Commission Expires March 30, 1999

**EXHIBIT A**

**TRADEMARKS**

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Class(es): 28	Status: Registered; Affidavit of Use due 10/22/02

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Class(es): 28	Status: Registered

Our File: 93037	Registration No.: 1,547,538
Trademark: WATER GRENADE & design	Issued: 07/11/89
Description of Goods: Balloons	
Class(es): 28	Status: Registered



Our File:	Registration No.: 1,888,597
Trademark: WATER GRENADE	Issued: 04/11/95
Description of Goods: Balloons and plastic faucet adapters for filling balloons sold as a unit.	
Class(es): 28	Status: Registered
Correspondent: J. Robert Cassidy 1822 Franklin Street Bellingham, WA 98225	

TRADEMARK: Wild-Side  
 REGISTRATION NUMBER: 2,135,978  
 DESCRIPTION OF GOODS: Used on balloons and Playground Balls  
 ISSUED: February 10, 1998  
 CLASS: International Class 28  
 STATUS: Registered

TRADEMARK: Water Grenade  
 REGISTRATION NUMBER: 1,888,597  
 DESCRIPTION OF GOODS: Balloons and Plastic Faucet Adapters for  
 filling balloons sold as a unit  
 ISSUED: April 11, 1995  
 CLASS: International Class 28  
 STATUS: Registered

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

As of this \_\_\_\_ day of December, 1998, before me personally came \_\_\_\_\_  
\_\_\_\_\_, to me known, who, being duly sworn, did depose and say, that he is the  
\_\_\_\_\_ of THE NATIONAL LATEX PRODUCTS  
COMPANY, the corporation described in and which executed the foregoing instrument;  
and that he signed his name thereto by order of the Board of Directors of said  
corporation.

\_\_\_\_\_

Notary Public