

02-11-1999



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**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

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
 - Merger
 - Change of Name
 - Other
- Effective Date
Month Day Year
12 04 98

Conveying Party

Mark if additional names of conveying parties attached

Name Execution Date
Month Day Year
12 11 98

Formerly

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

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City State/Country Zip Code

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

02/10/1999 DMBUYH 00000250 75546933

FOR OFFICE USE ONLY

01 FC:481
02 FC:482

40.00 OP
225.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

TRADEMARK
REEL: 1852 FRAME: 0834

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)

<input type="text" value="75546933"/>	<input type="text" value="75088550"/>	<input type="text" value="75127333"/>
<input type="text" value="75553719"/>	<input type="text" value="75127331"/>	<input type="text" value="75587478"/>
<input type="text" value="75200497"/>	<input type="text" value="75127403"/>	<input type="text" value="75200496"/>

Registration Number(s)

<input type="text" value="2170819"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

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.

Gary M. Krasna

Name of Person Signing

[Signature]

Signature

2/1/99

Date Signed

TRADEMARK AND LETTERS PATENT SECURITY AGREEMENT

THIS TRADEMARK AND LETTERS PATENT SECURITY AGREEMENT (this "Agreement") is made as of the 4th day of December, 1998, by and between **VECTOR PRODUCTS, INC. d/b/a Vector Manufacturing Ltd.**, a Florida corporation with its principal place of business at 3003 Greene Street, Hollywood, Florida 33020 (the Borrower"), and **CAPITAL TEMPFUNDS, INC.** a North Carolina corporation with its principal place of business at One Morrocraff Center, 6805 Morrison Boulevard, Charlotte, North Carolina (the "Secured Party").

RECITALS

WHEREAS, the Borrower has entered into a Loan and Security Agreement of even date herewith (the "Loan Agreement") with the Secured Party, pursuant to which the Secured Party has extended a revolving loan to the Borrower under the terms and condition set forth in said Loan Agreement;

WHEREAS, it is a condition precedent to borrowings under the Loan Agreement that the Borrower shall have granted the security interest contemplated by this Agreement; and

WHEREAS, unless otherwise defined or the context otherwise requires, the defined terms used herein shall have the same meanings assigned to them in the Loan Agreement;

NOW, THEREFORE, in consideration of the foregoing and in order to induce the Secured Party to lend funds as contemplated by the Loan Agreement, the Borrower hereby agrees with the Secured Party as follows:

1. **Grant of Security Interest.** In order to secure (i) the payment of all principal of and interest on the Loan Agreement as and when the same becomes due and payable (whether by lapse of time, acceleration or otherwise), (ii) the payment of all interest, fees and charges payable by the Borrower under the terms of the Loan Agreement, (iii) the payment of all other present and future indebtedness, obligations and liabilities arising under, and the observance and performance of all present and future covenants and agreements contained in the Loan Agreement, and (iv) the payment in full of all reasonable out-of-pocket expenses and charges, legal or otherwise including reasonable attorney's fees, suffered or incurred by the Secured Party in collecting or enforcing payment of the obligations outstanding under the Loan Agreement or any or all of the other foregoing indebtedness or in realizing upon, protecting or preserving any collateral security for the Loan Agreement or such other indebtedness (all of such indebtedness, obligations and liabilities referred to in the immediately foregoing clauses (i) through (iv) being defined by reference in the Loan Agreement as, and being hereinafter collectively referred to as, the "Obligations"), Borrower does hereby grant to Secured Party a security interest in, all of Borrower's right, title and interest, whether now owned or existing or hereafter acquired or arising, in and to the trademarks and service marks, including registrations and applications therefor, trade names and Letters Patents which may issue from the pending applications listed on Schedule A attached hereto and incorporated herein and all after-acquired

Trademarks and all after-acquired Letters Patent (both as defined in Section 2(a) hereof), together with (a) all renewals thereof, (b) all present and future rights of Borrower under all present and future license agreements relating thereto, whether Borrower is licensee or licensor thereunder, (c) all income, royalties, damages and payments now or hereafter due and/or payable to Borrower thereunder or with respect thereto, including, without limitation, damages and payments for past, present and future infringement thereof, (d) all of Borrower's present and future claims, causes of action and rights to sue for past, present or future infringements thereof, (e) the business and goodwill to which all of such trademarks and service marks including registrations and applications therefor, and trade names are appurtenant, (f) all rights corresponding thereto throughout the world, and (g) proceeds of all of the foregoing (all of the foregoing collectively, the "Trademarks").

2. **Covenants, Warranties and Representations.** The Borrower covenants, warrants and represents that:

(a) To the best of Borrower's knowledge, the Trademarks and Letters Patent listed on Schedule A constitute all of the trademarks, service marks, registrations, applications and trade names registered or filed in the United States and Letters Patents applications pending in the United States and now owned by Borrower. If, before the Obligations shall have been satisfied in full, Borrower shall (i) obtain or discover rights to any new or existing trademarks, service marks, registrations, applications, trade names or patentable inventions registered or filed in the United States, or (ii) become entitled to the benefit of any trademarks, service marks, registrations, applications, trade names or license renewals registered or filed in the United States (each, "after-acquired Trademarks") or any Letters Patent (each, "after-acquired Patents"), the security interest of Secured Party granted hereunder shall automatically attach thereto and Borrower shall give to Secured Party prompt written notice thereof.

(b) Borrower agrees not to sell or assign its interest in the Trademarks or Letters Patent, without the prior written consent of Secured Party.

(c) Until the Obligations shall have been satisfied in full, Borrower will not, without Secured Party's prior written consent, enter into any agreement which is inconsistent with Borrower's obligations under the Loan Agreement and Borrower further agrees that it will not knowingly take any action, or knowingly permit any action to be taken by others subject to its control, including licensees, or knowingly fail to take any action, which would materially adversely affect the validity of the rights of Secured Party and under this Loan Agreement.

(d) Until the Obligations shall have been satisfied in full, except as otherwise agreed by Secured Party in writing, Borrower will maintain, preserve and protect the Trademarks and Letters Patent free of any material conflict with the rights of any other person. Without limitation of these foregoing, Borrower shall have the duty to the extent reasonable, appropriate and consistent with acceptable business practices (i) to pay all taxes, fees or other amounts necessary to maintain in full force and effect all of the Trademarks, (ii) to prosecute diligently any trademark and patent applications relating to the Trademarks and the Letters Patent pending as of the date hereof or

thereafter until this Agreement is no longer in effect, (iii) to make application on trademarks which have not been registered but which may be registered in the United States, as appropriate and consistent with past practices, and (iv) to preserve and maintain all rights in trademark applications, trademarks and trademark registrations of the Trademarks, and in all patent applications of the Letters Patent. Borrower will take all steps as reasonably required by Secured Party to perfect any security interest acquired by Secured Party pursuant to this Agreement, including, without limitation, filing and recording such new security agreements or financing statements as may be reasonably required by Secured Party. Any expenses incurred in connection with such applications shall be borne by Borrower, and Secured Party shall have no obligations or liability to pay any taxes or fees, nor shall Secured Party have any duties in connection with application or maintenance of rights in the Trademarks and Letters Patent.

(e) The registered Trademarks set forth on Schedule A are subsisting and have not been adjudged invalid or unenforceable in whole or in part, and each of the Trademarks is valid and enforceable; there are no claims known to the Borrower currently asserted that the use of any of the registered Trademarks does or may violate the rights of any third person; no claims are currently asserted directly against Borrower or to the best of Borrower's knowledge its predecessors that the use of any of the registered Trademarks does or any violate the rights of any third person; the Borrower is the sole and exclusive owner of the entire right, title, and interest in and to each of the registered Trademarks in connection with the goods or services for which they are used; and the Borrower has the unqualified right to enter into this Agreement and to perform its terms.

3. **Rights and Remedies.** Every event of Default (as defined in the Loan Agreement) shall constitute an "Event of Default" hereunder. Upon the occurrence of any Event of Default, Secured Party may, upon reasonable written notice, exercise any or all of the following rights and remedies, all of which are cumulative and enforceable alternatively, successively or concurrently:

(a) Sell, assign or grant any license under the Trademarks and/or the Letters Patent upon such terms and under such conditions as Secured Party, in its sole discretion, may determine.

(b) Sue for, collect and receive all income, royalties, damages and payments at any time due and/or payable under the Trademarks and/or the Letters Patent and any licenses thereunder.

(c) Sue in its own name to enforce the Trademarks and/or the Letters Patent and any licenses thereunder. If Secured Party shall commence any such suit, Borrower shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents reasonably required by Secured Party in aid of such enforcement.

4. **Power of Attorney.** Borrower hereby designates and appoints Secured Party and its designees as attorney-in-fact of Borrower, irrevocably and with power of substitution, with authority effective upon the occurrence of any Event of Default, to endorse Borrower's name on all

applications, documents, papers and instruments necessary or desirable for Secured Party in the use of the Trademarks and/or Letters Patent, to take any other actions with respect to the Trademarks and/or Letters Patent, as Secured Party deems in the best interest of Secured Party; to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks and/or Letters Patent to any person; and to perform all other acts necessary and advisable, in Secured Party's sole discretion, to carry out and enforce this Security Agreement and the Loan Agreement. All acts of said attorney or designee are hereby ratified and approved by Borrower. This power of attorney is coupled with an interest and is irrevocable so long as any of the Obligations remain unpaid.

5. **Termination**. The security interest granted herein shall terminate upon the indefeasible satisfaction in full of the Obligations.

6. **Notices**. Notices that are required or permitted to be delivered hereunder shall be sufficient if in writing and sent to the addresses set forth in the Loan Agreement, in the manner and within the time specified in the Loan Agreement.

7. **Further Assurances**. Borrower shall execute any further or additional documents reasonably required by the Secured Party to effectuate the purposes and intent of this Agreement.

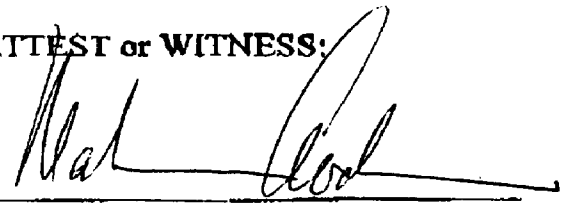
8. **Choice of Law**. This Agreement shall be construed according to the laws of the State of North Carolina.

9. **Severability**. If any of the provisions of this Agreement are judicially determined to be in conflict with any law of the State of North Carolina, or otherwise judicially determined to be unenforceable for any reason whatsoever, such provision shall be deemed null and void to the extent of such unenforceability but shall be deemed separable from and shall not invalidate any other provisions of this Agreement.

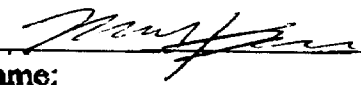
10. **Successors and Assigns**. The terms, covenants, and conditions contained in this Agreement shall inure to the benefit of Borrower and its successors and assigns and shall be binding upon the Secured Party and its successors and assigns.

IN WITNESS WHEREOF, the parties have caused this Trademark and Letters Patent Security Agreement to be duly executed under seal, intending it to be a sealed instrument, as of the day and year first above written.

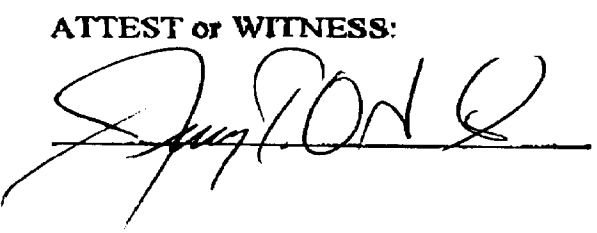
[SEAL]

ATTEST or WITNESS:



VECTOR PRODUCTS, INC.
d/b/a VECTOR MANUFACTURING LTD.

By: 
Name:
Title: PRESIDENT
Date: 12-11-98

[SEAL]

ATTEST or WITNESS:


CAPITAL TEMPFUNDS, INC.

By: 
Name:
Title: SVP
Date: 12-28-98

**SCHEDULE A
TO
TRADEMARKS AND LETTERS PATENT SECURITY AGREEMENT**

List of Trademarks and Letters Patent

<u>Trademark</u>	<u>Application No.</u>	<u>Date of Application</u>	<u>Class of Goods</u>
BULLETBEAM	75/546,933	9/2/98	11
CORDLESS COMBO SERIES		11/5/98	
JUMPERBAG	UNASSIGNED	12/2/98	
MISCELLANEOUS Design (design of combination laser pointer & cigaret lighter)	UNASSIGNED	12/8/98	
POCKETBEAM	75/553,719	9/15/98	
POCKET	UNASSIGNED	12/2/98	
GENERATOR POCKET POWER		11/5/98	
POWER FORCE	75/200,497	10/31/96	
PRO CHARGE	75/200,496	10/31/96	
SPOTLIGHT Design	75/088,550	4/15/96	
TRADE DRESS DESIGN OF Y2K BUG		11/12/98	
V& DESIGN	75/127,331	6/28/96	7 & 9
VECTOR	75/127,403	6/28/96	7,9,11,12,21
VECTOR & Design	75/127,333	6/28/96	7,9,11,12,21
Y2K BUG	75/587,478	12/12/98	

Trademark

Registration No.

Date of Issuance

SPORTS SPOT

2,170,819

7/7/98

<u>Patent Application</u>	<u>Application No.</u>	<u>Filing Date</u>
Pocketknife Laser Point Key Chain	29/092,178	8/13/98
Pocketknife Laser Point Key Chain	09/133,974	8/13/98
Pocketknife Laser Point Key Chain	29/092,178	8/13/98
Pocketknife Laser Point Key Chain	09/152,510	9/14/98
Lighter Laser	29/093,597	9/14/98
Pocketknife Laser Pointer	29/093,598	9/14/98
Laser Lighter	09/152,509	9/14/98