

TRADEMARKS

02-11-1999

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by thereof.

To the Honorable Commissioner of Patents and Trademarks: Please n

Name of conveying party(ies):

Numark Laboratories, Inc.
75 Mayfield Avenue
Edison, NJ 08837

mk 2-9-99

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

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

Nature of conveyance:

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

Execution Date: January 28, 1999

2. N. 100964063

Name: Summit Bank

Internal Address: 250 Walnut Avenue

Street Address: _____

City: Cranford State: NJ ZIP: 07016

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

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

See Attached Schedule "A"

tm

Additional numbers attached? Yes No

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

Name: Linda K. Connolly, Esq.

Internal Address: Pitney, Hardin, Kipp & Szuch

Street Address: P.O. Box 1945

City: Morristown State: NJ ZIP: 07962

6. Total number of applications and registrations involved: 45

7. Total fee (37 CFR 3.41).....\$ 1,140.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

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

02/11/1999 DCBITES 00000002 73380487

DO NOT USE THIS SPACE

01 FC:481 40.00 OP
02 FC:482 1100.00 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.

LINDA K. CONNOLLY

2/4/99

Name of Person Signing

Signature

11

Date

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

SCHEDULE "A"**List of Domestic Trademarks**

<u>MARK</u>	<u>REGISTRATION/(SERIAL NUMBER)</u>	<u>FILING DATE</u>
MEN	12539	
AQUACARE	(75/380,467)	10/28/97
CONTI (Stylized)	200,914	07/14/25
YODORA	246,009	08/28/28
KREML (Stylized)	249,390	11/13/88
CONTI and Design	276,709	10/28/30
SERUTAN (Stylized)	321,750	02/12/35
ASTHMANEFRIN (Stylized)	336,961	07/21/36
THERMOTABS	355,843	04/05/38
5 DAY	363,089	12/13/38
S.T. 37 (Stylized)	382,842	11/12/40
LADY ESTHER (Stylized)	412,428	03/06/45
ACNOMEL	433,983	11/04/47
DUO	520,283	01/24/50
AMITONE	558,444	05/06/52
TROPHITE (Stylized)	559,269	05/27/52
ALBOLENE (Stylized)	563,458	08/26/52
PRETTY FEET	681,938	07/14/59
PLATE-WELD	705,714	10/11/60
ACRYLINE	711,938	02/28/61
LIQUIPRIN	714,626	05/02/61
VENTURE	826,501	03/28/67
PLATE-WELD	834,833	09/05/67
ORNEX	891,499	05/26/70
BENZEDREX	896,775	08/18/70
FEMIRON	902,507	11/17/70
BENZEDREX	915,607	06/29/71
ROSE MILK	946,443	10/31/72
AQUACARE	955,917	03/20/73
A.R.M.	995,558	10/15/74
ASTHMAHALER (Stylized)	1,025,084	11/18/75
HOLD	1,039,993	05/25/76
PRETTY FEET AND HANDS	1,083,105	01/24/78
HOLD	1,089,022	04/11/78
ROSE MILK and Design	1,134,941	05/13/80
AQUACARE/HP	1,145,608	01/13/81
LIQUIPRIN	1,173,859	10/20/81

ZONITORS	1,203,313	08/03/82
DUO and Design	1,314,204	01/15/85
CONGESTAC	1,327,966	04/02/85
ZONITE (Stylized)	1,532,631	04/04/89
AVAIL	1,552,451	08/22/89
ALBOLENE	1,752,158	02/16/93
BEAU KREML	1,797,455	10/12/93
MAGIC LABEL	1,917,124	09/05/95

TRADEMARK SECURITY AGREEMENT/#2

TRADEMARK SECURITY AGREEMENT, made the 28th day of January, 1999, by Numark Laboratories, Inc. a New Jersey corporation (the "Borrower" or the "Grantor"), in favor of Summit Bank (the "Lender").

WHEREAS, pursuant to the Amended and Restated Loan and Security Agreement, dated November 23, 1998 (the "Loan Agreement") between the Borrower and the Lender, the Lender has agreed to extend credit to the Borrower upon the terms and subject to the conditions set forth therein, certain of such extensions of credit to be evidenced by the Notes issued by the Borrower thereunder; and

WHEREAS, the Grantor owns each of the Trademarks and Trademark Licenses (each as hereinafter defined) described on Schedule A hereto; and

WHEREAS, pursuant to the terms of the Loan Agreement the Grantor has mortgaged, pledged and granted to Lender, a security interest in all right, title and interest of the Grantor in, to and under the Collateral (as hereinafter defined), including the property described on Schedule A hereto, whether presently existing or hereafter arising or acquired, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof for the full term of the Trademarks, to secure the payment of the Obligations (as defined in the Loan Agreement); and

WHEREAS, for convenience of reference and recordation, but with no intention to supersede the terms of the Loan Agreement the parties hereto have entered into this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Lender to enter into the Loan Agreement and to induce the Lender to make extensions of credit to Borrower under the Loan Agreement, the Grantor hereby agrees with the Lender, as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein have the meanings ascribed thereto in the Loan Agreement; the following terms which are defined in the Uniform Commercial Code in effect in the State of New Jersey on the date hereof are used herein as so defined: General Intangibles and Proceeds; and the following terms shall have the following meanings:

"Code": the Uniform Commercial Code as from time to time in effect in the State of New Jersey.

"Collateral": the meaning specified in Section 2 hereof.

"Trademarks": (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, (b) all registrations, recordings and renewals thereof, and all applications in connection therewith,

issued by or filed in the United States Patent and Trademark Office ("PTO") or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, including, without limitation, those listed in Schedule A hereto.

"Trademark License": any agreement written or oral, providing for the grant by the Grantor of any right to use any Trademark, including, without limitation, those listed in Schedule A hereto.

"Trademark Security Agreement": this Trademark Security Agreement as the same may be amended, supplemented or otherwise modified from time to time.

2. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations, the Grantor hereby assigns and grants to the Lender a security interest in all of the following property now owned or at any time hereafter acquired by the Grantor or in which the Grantor now has or at any time in the future may acquire any right title or interest (collectively, the "Collateral"):

- (a) all Trademarks;
- (b) all Trademark Licenses;
- (c) all General Intangibles connected with the use of, and symbolized by, Trademarks; and
- (d) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing, including without limitations, all royalties and all proceeds of infringement suits or motions, and the rights and benefits of all causes of action which may exist by reason of any infringement.

3. Representations and Warranties. The Grantor hereby represents and warrants that:

(a) Trademarks. Schedule A hereto includes all Trademarks owned by the Grantor on the date hereof registered in the PTO and all other Trademarks and Trademark Licenses owned by the Grantor in its own name as of the date hereof which are material to the business of the Borrower and its subsidiaries, taken as a whole. To Grantor's knowledge, each Trademark is valid, subsisting, unexpired, enforceable and has not been abandoned, except to the extent that the failure to be valid, subsisting, unexpired or enforceable or the abandonment thereof would not be reasonably likely to have a material adverse effect on the business of Borrower. Except as set forth in such Schedule, none of such Trademarks is the subject of any licensing or franchise agreement. No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or question the validity of any Trademark except for such holdings, decisions or judgments that would not be reasonably likely to have a material adverse effect on

the business of the Borrower. No action or proceeding is pending seeking to limit cancel or question the validity of any Trademark, which, if adversely determined, would be reasonably likely to have a material adverse effect on the business of the Borrower.

(b) Chief Executive Office. The Grantor's chief executive office and the chief place of business is located at 75 Mayfield Avenue, Edison, New Jersey 08837.

The Grantor agrees that the foregoing representations and warranties shall be deemed to have been made by the Grantor on and as of the date hereof on and as of each date on which an extension of credit is made by the Lender to the Borrower under the Loan Agreement, in each case as though made hereunder on and as of each such date.

4. Covenants. The Grantor covenants and agrees with the Lender that, from and after the date of this Trademark Security Agreement until the Obligations are paid and performed in full:

(a) Further Documentation. At any time and from time to time, upon the written request of the Lender, and at the sole expense of the Grantor, the Grantor will promptly and duly execute and deliver such further instruments and documents and take such further action as the Lender may reasonably request for the purpose of obtaining or preserving the full benefits of this Trademark Security Agreement and of the rights and powers herein granted.

(b) Indemnification. The Grantor agrees to pay, and to save the Lender harmless from, any and all liabilities, costs and expenses (including, without limitation, reasonable legal fees and expenses) (i) with respect to, or resulting from, any delay by the Grantor in paying any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any requirement of law applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Trademark Security Agreement.

(c) Trademarks.

(i) The Grantor will, except with respect to any registered or unregistered trademark that is not material to the business of the Borrower and its subsidiaries taken as a whole, (A) continue to use each registered and unregistered trademark on the same goods and services it is currently used on, (B) maintain quality control over all products manufactured, distributed or sold, and all services offered under each registered or unregistered trademark, (C) not knowingly do or omit to do any act which may result in the invalidation of any registered or unregistered trademark, and (D) take all steps which in its business judgment are necessary to prevent a licensee from doing or omitting to do any act which may result in the invalidation of any registered or unregistered trademark.

(ii) The Grantor will notify the Lender of any (A) abandonment of a registered or unregistered Trademark; (B) abandonment of an application to register a Trademark; or (C) determination by a court or tribunal in the country where (1) the Trademark is registered, or (2) the Trademark application is pending, or (3) the unregistered Trademark is used, that the Grantor does not own all right, title and interest to the registered or unregistered Trademark or Trademark application, or of any other adverse determination of such court or tribunal relating to any registered or unregistered Trademark or Trademark application; provided that (x) the Grantor has actual notice of such event and (y) such Trademark or Trademark application is material to the business of the Borrower and its subsidiaries, taken as a whole.

(iii) Whenever the Grantor, either by itself or through an agent employee, licensee or designee, shall file an application of or the registration of a trademark with the PTO or any similar office or agency in any other country or any political subdivision thereof, the Grantor shall report such filing to the Lender within five (5) Banking Days after the last day of the calendar year in which such filing occurs. Upon request of the Lender, the Grantor shall execute and deliver any and all agreements, instruments, documents, and papers as the Lender may reasonably request to evidence the Lender's security interest in any trademark and the goodwill and General Intangibles, if any, of the Grantor relating thereto or represented thereby, and the Grantor hereby constitutes the Lender its attorney-in-fact to execute and file all such writings for the purposes of so evidencing the Lender's security interest (and the Lender agrees to notify the Grantor that any such filing has been made), all lawful acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Obligations are paid in full.

(iv) The Grantor will, except with respect to any Trademark application or registration that is not material to the business of the Borrower and its subsidiaries, taken as a whole, take all reasonable and necessary steps, as it shall deem appropriate under the circumstances, in accordance with its reasonable business judgment, including, without limitation, in any proceeding before the PTO, or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each trademark application (and to obtain the relevant registration and to maintain such registration), including, without limitation, where appropriate, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(v) In the event that any Trademark included in the Collateral is materially infringed or misappropriated or any registered or unregistered trademark is diluted by a third party, the Grantor shall promptly notify the Lender after it learns thereof and shall, unless the Grantor shall reasonably determine that such Trademark is not of material economic value to the Grantor, take such actions as the Grantor shall reasonably deem appropriate under the circumstances to protect such Trademark.

5. Limitations on Duties Regarding Preservation of Collateral. The Lender's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the Code or otherwise, shall be to deal with it in the same manner as the Lender deals with similar property for its own account. Neither the Lender nor any of its respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Grantor or any other person, except as may result from bad faith, gross negligence or willful misconduct

6. Remedies.

(a) If an Event of Default shall occur and be continuing, the Lender may exercise, in addition to all other rights and remedies granted to it in this Trademark Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code in accordance with the terms and conditions set forth in the Loan Agreement.

(b) In addition to and as part of the rights set forth above, the Grantor hereby agrees that if an Event of Default shall occur and be continuing, the Grantor shall take all actions necessary, appropriate or proper to transfer ownership of the Collateral or any part thereof to the Lender or its assigns, including, without limitation, filing any and all assignments of trademark with the PTO, in the form as is deemed necessary, appropriate or proper under the circumstances. The Grantor hereby constitutes and appoints the Lender (and any officer, employee or agent of the Lender, with a full power of substitution) its true and lawful attorney and agent in fact to take any and all actions described in this subsection (b), in the Lender's, the Grantor's or the Borrower's names and at the Borrower's sole cost and expense. The Grantor covenants and agrees that any action described in this subsection (b) may be taken at the Lender's sole and absolute discretion, at any time and from time to time, and that the Grantor hereby ratifies and confirms all actions taken. The Grantor further covenants and agrees that the powers-of-attorney granted by this Section (b) are coupled with an interest and shall be irrevocable until full and final payment and performance of the Obligations; that said powers are granted solely for the protection of the Lender's interest and the Lender shall have no duty to exercise any thereof, that the decision whether to exercise any such power, and the manner of exercise, shall be solely within the Lender's discretion; and that neither the Lender nor any of its directors, officers, employees or agents shall be liable for any act of omission or commission, or for any mistake or error of judgment in connection with any such powers except as resulting from bad faith, gross negligence or willful misconduct.

(c) No remedy referred to in this Trademark Security Agreement is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to in this Trademark Security Agreement or otherwise available

to the Lender by agreement or at law or in equity. No express or implied waiver by the Lender of any default or Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent default, or Event of Default. The failure or delay of the Lender in exercising any rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or reoccurrence of any such contingency or similar contingencies, and any single or partial exercise of any particular right by the Lender shall not exhaust the same or constitute a waiver of any such right.

7. Severability. Any provision of this Trademark Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8. Section Headings. The Section headings used in this Trademark Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

9. Waivers and Amendments: Successors and Assigns; Governing Law. None of the terms or provisions of this Trademark Security Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Grantor and the Lender, provided that any provision of this Trademark Security Agreement for the benefit of the Lender may be waived by the Lender in a written letter or agreement executed by the Lender or by telex or facsimile transmission from the Lender. This Trademark Security Agreement shall be binding upon the successors and assigns of the Grantor and shall inure to the benefit of the Lender and its respective successors and assigns, except that the Grantor may not assign, transfer or delegate any of its rights or obligations under this Trademark Security Agreement without the prior written consent of the Lender. This Trademark Security Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New Jersey.

10. Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, shall be given as provided in Section 16 of the Loan Agreement.

The Lender and the Grantor may change its address for notices by notice in the manner provided in this Section.

11. Acknowledgments. The Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Trademark Security Agreement and the other Relevant Documents to which it is a party;

(b) the Lender has no fiduciary relationship with or duty to Grantor or any other party arising out of or in connection with this Trademark Security Agreement or any other Relevant Document; and

(c) no joint venture is created hereby or by the other Relevant Documents or otherwise exists by virtue of the transactions contemplated hereby between the Lender and the Borrower.

12. WAIVERS OF JURY TRIAL. THE GRANTOR AND THE LENDER EACH HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS TRADEMARK SECURITY AGREEMENT OR ANY OTHER RELEVANT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

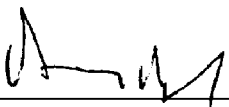
13. Governing Law. This Trademark Security Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New Jersey without the application of the conflict of law principles.

14. Incorporation of Security Agreement Provisions. The Grantor hereby acknowledges and affirms that the rights and remedies of the Lender with respect to the security interest in the Collateral made and granted hereby are more fully set forth in the Loan Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. Nothing in this Trademark Security Agreement shall defer or impair the attachment or perfection of any security interest in any collateral covered by the Loan Agreement which would attach or be perfected pursuant to the terms thereof without action by the Grantor or any other person.

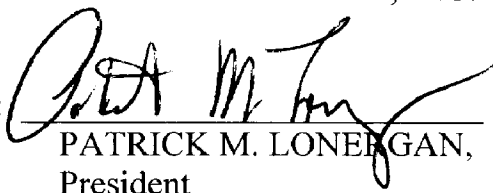
IN WITNESS WHEREOF, the Grantor has caused this Trademark Security Agreement to be duly executed and delivered as of the date first above written.

ATTEST

NUMARK LABORATORIES, INC.

By: 

MOAIZ DAYA,
Secretary

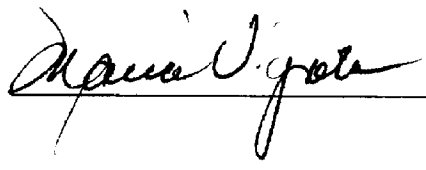
By: 

PATRICK M. LONERGAN,
President

NUMARK LABORATORIES, INC.

STATE OF NEW JERSEY
COUNTY OF MIDDLESEX)SS.:

On the 28 day of January, 1999, before me personally came PATRICK M. LONERGAN, to me personally known and known to me to be the person described in and who executed the foregoing instrument as President of NUMARK LABORATORIES, INC. who, being by me duly sworn, did depose and say that he is President of NUMARK LABORATORIES, INC., the corporation described in and which executed the foregoing instrument; that said instrument was signed and sealed on behalf of said corporation by order of its Board of Directors; that he signed his name thereto by like order, and that he acknowledged said instrument to be the free act and deed of said corporation.



[NOTARIAL SEAL]

MARIA VIGNOLA
NOTARY PUBLIC STATE OF NEW JERSEY
COMMISSION EXPIRES JULY 1, 1999