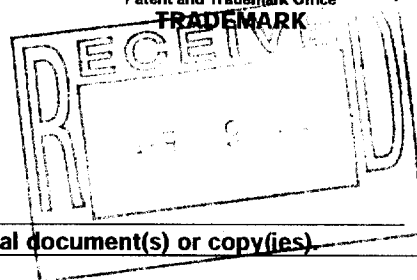


04-19-1999



101016600
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
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year
03101999

Name

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

FOR OFFICE USE ONLY

04/16/1999 VBROMM 00000191 1463405

01 FC:481

40.00 DP

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.

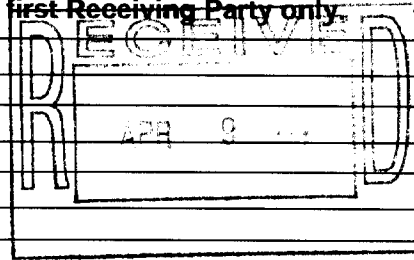
Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 1884 FRAME: 0491

4.9.99

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)

| | | | | | |
|----------------------|----------------------|----------------------|--------------------------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text" value="1463405"/> | <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <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.

Thomas P. White
Name of Person Signing

Signature

4/9/99
Date Signed

SECOND SUPPLEMENTAL PATENT, TRADEMARK AND LICENSE
MORTGAGE

THIS SECOND SUPPLEMENTAL PATENT, TRADEMARK AND LICENSE MORTGAGE (the "Second Supplemental Mortgage") made as of this 10th day of March, 1999, by **Saddleman, Inc.**, a Delaware corporation having an address at **80 West 900 South, Logan, Utah 84321** ("Mortgagor"), in favor of **LaSalle National Bank**, with an office at **135 South LaSalle Street, Chicago, Illinois 60603-4105** ("Mortgagee"):

WITNESSETH:

WHEREAS, Mortgagor and Mortgagee have entered into that certain Loan and Security Agreement (the "Security Agreement") and other related loan documents dated November 9, 1993 (collectively, with the Security Agreement, the "Loan Agreements").;

WHEREAS, to secure the performance by Mortgagor of its obligations under the Loan Agreements, Mortgagor entered into those certain Patent, Trademark and License Mortgages dated as of January 3, 1996, February 21, 1994 and November 9, 1993, respectively (collectively the "Original Mortgage"); and

WHEREAS, to secure the performance by Mortgagor of its obligations under the Loan Agreements, Mortgagor entered into that certain Supplemental Patent, Trademark and License Mortgage dated May 21, 1997 (the "Supplemental Mortgage"); and

WHEREAS, Mortgagor has acquired additional Patents, Trademarks and/or Licenses and is required by the Original Mortgage and the Supplemental Mortgage to grant a security interest therein;

WHEREAS, it is a condition precedent to continuing the making of advances by Mortgagee that Mortgagor shall grant the security interest and make the collateral assignment contemplated by this Second Supplemental Mortgage;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, Mortgagor agrees as follows:

1. Capitalized Terms. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreements.

2. Mortgage of Patents, Trademarks and Licenses. To secure the complete and timely satisfaction of all of Mortgagor's "Liabilities" (as defined in the Security Agreement), Mortgagor hereby grants, bargains, assigns, mortgages, pledges, sells, creates a security interest in, transfers, and conveys to Mortgagee, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale, to the extent permitted by law or by the specific license agreements, upon the occurrence of an "Event of Default" (as defined in the Security Agreement) all of Mortgagor's right, title and interest in and to all of its now existing and hereafter created or acquired:

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Exhibit A attached hereto and hereby made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, damages and payments now and hereafter due or payable under or with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a)-(d) of this subsection 2(i), are sometimes hereinafter referred to individually as a "Patent" and, collectively, as the "Patents");

(ii) trademarks, trademark registrations, trademark applications, tradenames and tradestyles, service marks, service mark registrations and service mark applications, including, without limitation, the trademarks, tradenames, service marks and applications and registrations thereof listed on Exhibit B attached hereto and hereby made a part hereof, and (a) renewals or extensions thereof, (b) all income, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing trademarks, tradenames and tradestyles, service marks and applications and registrations thereof, together with the items described in clauses (a)-(d) of this subsection 2(ii), are sometimes hereinafter referred individually as a "Trademark", and, collectively, as the "Trademarks");

(iii) all license agreements with respect to any of the Patents or the Trademarks or any other patent, trademark, service

mark or any application or registration thereof or any other tradename or tradestyle between Mortgagor and any other party, whether Mortgagor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Exhibit C attached hereto and hereby made a part hereof (all of the foregoing license agreements and Mortgagor's rights thereunder are referred to collectively as the "Licenses"); and

(iv) the goodwill of Mortgagor's business connected with and symbolized by the Trademarks.

Notwithstanding the foregoing provisions of this Section 2, the Licenses shall not include any license agreement which by its terms prohibits the grant of the security interest contemplated by this Security Agreement.

3. New Patents, Trademarks and Licenses. Mortgagor hereby represents and warrants that, together with the Patents, Trademarks and Licenses listed on Exhibits A, B and C respectively to the Original Mortgage and to the Supplemental Mortgage, the Patents, Trademarks and Licenses listed on Exhibits A, B and C hereto constitute all of the Patents, registered Trademarks and Licenses now owned by Borrower on the date hereof.

4. Warranties and Representations. Mortgagor warrants and represents to Mortgagee that, except as set forth on Exhibit A with respect to U.S. Patent No. 4,902,065:

(i) The Patents, Trademarks and Licenses have not been adjudged invalid or unenforceable and have not been canceled, in whole or in part and are presently subsisting;

(ii) As of the date hereof, each of the Patents, Trademarks and Licenses is in full force and effect;

(iii) Mortgagor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, Trademarks and Licenses, free and clear of any liens, charges and encumbrances, including without limitation licenses, shop rights and covenants by Mortgagor not to sue third persons;

(iv) Mortgagor has adopted, used and is currently using all of the Trademarks;

(v) Mortgagor has no notice of any suits or actions commenced or threatened with reference to the Patents, Trademarks or Licenses; and

(vi) Mortgagor has the right to execute and deliver this Second Supplemental Mortgage and perform its terms and has entered into or will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants contained herein.

5. Restrictions on Future Agreements. Mortgagor agrees that until Mortgagor's Liabilities shall have been satisfied in full and the Loan Agreements shall have been terminated, Mortgagor shall not sell or assign its interest in, or grant any license under, the Patents, Trademarks or Licenses, or enter into any other agreement with respect to the Patents, Trademarks or Licenses which is inconsistent with Mortgagor's obligations under this Second Supplemental Mortgage, without the prior written consent of Mortgagee, and Mortgagor further agrees that it shall not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action (solely with respect to the Patents and the Tradenames), which would affect the validity or enforcement of the rights transferred to Mortgagee under this Mortgage.

6. New Patents, Trademarks, and Licenses. Mortgagor represents and warrants that, to the best of Mortgagor's knowledge, the Patents, Trademarks and Licenses listed on Exhibits A, B and C, of the Original Mortgage, the Supplemental Mortgage and hereto respectively, constitute all of the Patents, Trademarks, and Licenses now owned by Mortgagor. If, before Mortgagor's Liabilities shall have been satisfied in full or before the Loan Agreements have been terminated, Mortgagor shall (i) become aware of any existing Patents, Trademarks or Licenses of which Mortgagor has not previously informed Mortgagee, (ii) obtain rights to any new patentable inventions, Patents, Trademarks or Licenses, or (iii) become entitled to the benefit of any Patents, Trademarks, or Licenses or any improvement on any Patent, the provisions of this Second Supplemental Mortgage above shall automatically apply thereto and Mortgagor shall give to Mortgagee prompt written notice thereof. Mortgagor hereby authorizes Mortgagee to modify this Second Supplemental Mortgage by amending Exhibits A, B and C, as applicable, to include any such Patents, Trademarks and Licenses.

Notwithstanding the foregoing provisions of this Section 6, this Security Agreement shall not operate as a sale, transfer, conveyance or other assignment to Mortgagee of any of Mortgagor's Trademark applications where the application is intent-to-use based if and so long as such application is pending and not matured into a registered Trademark (such pending applications which are based on intent to use being hereinafter referred to collectively as "Intent-To-Use Applications"), but rather, if and so long as Mortgagor's Intent-To-Use Application is pending, this Security Agreement shall

operate only to create a security interest in such Intent-To-Use Application for collateral purposes in favor of Mortgagee.

7. Royalties; Terms. The term of the mortgages granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, Trademarks and Licenses assigned hereunder, and (ii) Mortgagor's Liabilities have been paid in full and the Loan Agreements have been terminated. Upon the occurrence of an Event of Default, Mortgagor agrees that the use by Mortgagee of all Patents, Trademarks and Licenses shall be worldwide and without any liability for royalties or other related charges from Mortgagee to the Mortgagor.

8. Grant of License to Mortgagor. Unless and until an Event of Default shall have occurred, Mortgagor retains the exclusive, nontransferable right and license to use the Trademarks in the ordinary course of its business, to exercise Mortgagee's rights under the Licenses, and to make, have made, use, offer for sale, and sell the inventions disclosed and claimed in the Patents for Mortgagor's own benefit and account and for none other. Mortgagor shall use the Trademarks only on goods of at least as high quality as the goods on which Mortgagor or its predecessor used the goods prior to the date hereof. Mortgagor agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to Mortgagor in this Section 8, without the prior written consent of Mortgagee. From and after the occurrence of an Event of Default, Mortgagor's right to retain the Patents, Trademarks and Licenses set forth in this Section 8 shall terminate forthwith, and Mortgagee shall have, in addition to all other rights and remedies given it by this Second Supplemental Mortgage, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any of the jurisdictions in which the Patents, Trademarks or Licenses may be located.

9. Mortgagee's Right to Inspect. Mortgagee shall have the right, at any time and from time to time during normal business hours and prior to payment in full of Mortgagor's Liabilities and termination of the Loan Agreements, to inspect Mortgagor's premises and to examine Mortgagor's books, records and operations, including, without limitation, Mortgagor's quality control processes. Mortgagor agrees (i) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof and (ii) to provide Mortgagee, upon Mortgagee's request from time to time, with a certificate of an officer of Mortgagor certifying Mortgagor's compliance with the foregoing. Upon the occurrence of an Event of Default, Mortgagor agrees that Mortgagee, or a conservator appointed by Mortgagee, shall have the right to establish such additional product quality controls as Mortgagee, or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Mortgagor under the Trademarks.

10. Release of Mortgage. This Second Supplemental Mortgage is made for collateral purposes only. Upon payment in full of Mortgagor's Liabilities and termination of the Loan Agreements, Mortgagee shall execute and deliver to Mortgagor all deeds, assignments and other instruments, and shall take such other actions, as may be necessary or proper to re-vest in Mortgagor full title to the Patents, Trademarks and all associated goodwill, and Licenses, subject to any disposition thereof which may have been made by Mortgagee pursuant hereto or pursuant to the Loan Agreements.

11. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Mortgagor. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' and paralegals' fees and legal expenses, incurred by Mortgagee in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Patents, Trademarks and Licenses, or in defending or prosecuting any actions or proceedings arising out of or related to the Patents, Trademarks and Licenses, shall be borne by and paid by Mortgagor on demand by Mortgagee and until so paid shall be added to the principal amount of Mortgagor's Liabilities and shall bear interest at the rate for "Revolving Loans" (as defined in the Security Agreement).

12. Duties of Mortgagor. Mortgagor shall have the duty (i) to prosecute diligently any patent, trademark or service mark applications pending as of the date hereof or thereafter until Mortgagor's Liabilities shall have been paid in full, (ii) to make application on unpatented but patentable inventions and on trademarks and service marks, as appropriate, and to the extent commercially reasonable, (iii) to preserve and maintain all rights in the Patents, Trademarks and Licenses, to the extent commercially reasonable, and (iv) to ensure that the Patents, Trademarks and Licenses are and remain enforceable, to the extent commercially reasonable. Any expenses incurred in connection with Mortgagor's obligations under this Section 12 shall be borne by Mortgagor. Mortgagor shall not abandon any right to file a patent, trademark or service mark application, or abandon any pending patent application, or any other Patent, Trademark or License without the consent of Mortgagee.

13. Mortgagee's Right to Sue. After the occurrence of an Event of Default, Mortgagee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, Trademarks and Licenses, and, if Mortgagee shall commence any such suit, Mortgagor shall, at the request of Mortgagee, do any and all lawful acts and execute any and all proper documents required by Mortgagee in aid of such enforcement and Mortgagor shall promptly, upon demand, reimburse and indemnify Mortgagee for all

reasonable costs and expenses incurred by Mortgagee in the exercise of its rights under this Section 13.

14. Waivers. No course of dealing between Mortgagor and Mortgagee, nor any failure to exercise, nor any delay in exercising, on the part of Mortgagee, any right, power or privilege hereunder or under the Loan Agreements shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

15. Severability. The provisions of this Second Supplemental Mortgage are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Second Supplemental Mortgage in any jurisdiction.

16. Modification. This Second Supplemental Mortgage cannot be altered, amended or modified in any way, except as specifically provided in Section 6 hereof or by a writing signed by the parties hereto.

17. Cumulative Remedies; Power of Attorney; Effect on Financing Agreement. All of Mortgagee's rights and remedies with respect to the Patents, Trademarks and Licenses, whether established hereby or by the Loan Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Upon the occurrence of an Event of Default, Mortgagor hereby authorizes Mortgagee to make, constitute and appoint any officer or agent of Mortgagee as Mortgagee may select, in its sole discretion, as Mortgagor's true and lawful attorney-in-fact, with power to (i) endorse Mortgagor's name on all applications, documents, papers and instruments necessary or desirable for Mortgagee in the use of the Patents, Trademarks and Licenses, or (ii) take any other actions with respect to the Patents, Trademarks and Licenses as Mortgagee deems to be in the best interest of Mortgagee, or (iii) grant or issue any exclusive or non-exclusive license under the Patents, Trademarks or Licenses to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks or Licenses to anyone. Mortgagee hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until Mortgagor's Liabilities shall have been paid in full and the Security Agreement, including any amendments thereto, has been terminated. Mortgagor acknowledges and agrees that this Second Supplemental Mortgage is not intended to limit or restrict in any way the rights and remedies of Mortgagee under the Loan

Agreements but rather is intended to facilitate the exercise of such rights and remedies. Mortgagee shall have, in addition to all other rights and remedies given it by the terms of this Second Supplemental Mortgage and the Loan Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks or Licenses may be located.

18. Binding Effect; Benefits. This Mortgage shall be binding upon the Mortgagor and its respective successors and assigns, and shall inure to the benefit of Mortgagee, its successors, nominees and assigns.

19. Governing Law. This Second Supplemental Mortgage shall be governed by and construed in accordance with the internal laws of the State of Illinois.

20. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

21. Further Assurances. Mortgagor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Mortgagee shall reasonably request from time to time in order to carry out the purpose of this Second Supplemental Mortgage and agreements set forth herein.

22. Survival of Representations. All representations and warranties of Mortgagor contained in this Second Supplemental Mortgage shall survive the execution and delivery of this Mortgage and shall be remade on the date of each borrowing under the Loan Agreements.

IN WITNESS WHEREOF, Mortgagor has duly executed this Second Supplemental Mortgage in favor of Mortgagee as of the date first written above.

ATTEST:

SADDLEMAN, INC.

By Ronald A. Friedman
Title Secretary

By Ronald A. Friedman
Title Chairman

Agreed and Accepted this
18 day of MARCH, 1999

LASALLE NATIONAL BANK

By Gas Coffey
Title FIRST VP

THIS INSTRUMENT PREPARED BY AND
AFTER FILING RETURN TO:

Thomas G. Hirsh, Esq.
LaSalle National Bank
135 South LaSalle Street, Suite 425
Chicago, Illinois 60603-4105

ACKNOWLEDGMENT

STATE OF Illinois)
COUNTY OF Cook) SS

The foregoing Patent, Trademark and License Mortgage was executed and acknowledged before me this 10th day of March, 1999, by Ronald A. Friedman and _____, personally known to me to be the Secretary and Chairman, respectively, of Sablenor Inc., a Delaware corporation, on behalf of such corporation.

Marcia George
Notary Public

Cook County, Illinois

My Commission expires:
3/12/2000



ACKNOWLEDGMENT

STATE OF)
) SS
COUNTY OF)

I, CARMEN L. NIEVES, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT DOUGLAS C. COLETTI, the FIRST VICE PRESIDENT of LaSalle National Bank, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said bank for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 18TH day of MARCH, 1999.

Carmen L. Nieves

Notary Public

My Commission Expires:

December 13, 1999

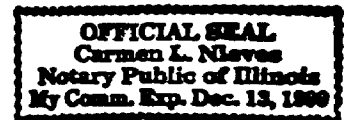


EXHIBIT A

Patents.

| <u>PATENT</u> | <u>REGISTRATION NUMBER</u> | <u>REGISTRATION DATE</u> |
|--------------------------------------------------|--------------------------------|--------------------------|
| TONNEAU COVER AND FRAME FOR PICK-UP TRUCKS | 5,522,635 | 6/4/96 |

EXHIBIT B

Trademarks.

| TRADEMARK | REGISTRATION NUMBER | REGISTRATION DATE |
|-----------|---------------------|-------------------|
| | | |
| | | |
| | | |
| PERMA-BOW | 1,463,405 | 11/3/87 |

EXHIBIT C

Licenses.

NONE.

th [m:\dept\abllegal\saddlman\loandocs\supp.ptl] - 3/10/99 3:34 PM~~3/10/99 3:33 PM~~