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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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04-16-1999

To

U.S. Patent & TMO/TM Mail Rcpt Dt. #54

ents and Trade

101068299

Documents or copy thereof.

1. Name of conveying party(ies):

INTERSTATE ACQUISITION CORP.
30 COLDENHAM ROAD
WALDON, NEW YORK 12586

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State NEW YORK
☐ Other

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

3. Nature of conveyance:

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

Execution Date: JANUARY 27, 1999

2. Name and address of receiving party(ies)

Name: FINOVA CAPITAL CORPORATION

Internal Address: SUITE 2400

Street Address: 355 SOUTH GRAND AVENUE, SUITE 24

City: LOS ANGELES State: CA ZIP: 90071

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

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

SEE ATTACHED

Additional numbers attached? ☒ Yes ☐ No

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

Name: CSC

Internal Address:

80 STATE STREET

6TH FLOOR

Street Address:

City: ALBANY State: NY ZIP: 12207

6. Total number of applications and registrations involved: 24

7. Total fee (37 CFR 3.41).....\$615.00

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number:

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

05/05/1999 DNGUYEN 00000295 1908417

DO NOT USE THIS SPACE

01 FC:481

40.00 DP

02 FC:482

575.00 DP

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

CAROLYN DECROSTA
Name of Person Signing

Signature

Date

Total number of pages including cover sheet, attachments, and document: 16

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

Commissioner of Patents & Trademarks, Box Assignments

Washington, D.C. 20231

TRADEMARK

REEL: 001915 FRAME: 0198

PATENTS

We are in possession of two United States Patents:

1. BAG WITH HANDLE AND METHOD OF MAKING THE SAME
Patent Number: 4,691,369
Date of Patent: September 1, 1987
2. SHOPPING BAG HANDLE AND METHOD OF MANUFACTURE THEREOF.
Patent Number: 4,481,668
Date of Patent: November 6, 1984

TRADEMARKS**ACTIVE MARKS:**

- | | |
|-------------------|-------------------|
| 1. Cub | Cert. # 1,908,417 |
| 2. Debbie | 2,007,359 |
| 3. Elf | 2,133,601 |
| 4. Escort | 1,880,606 |
| 5. Handler | 2,035,042 |
| 6. Interstate Bag | 1,887,117 |
| 7. Jumbo | 2,131,545 |
| 8. Lindsay | 1,754,665 |
| 9. Mimi | 1,879,734 |
| 10. Queen | 1,879,726 |
| 11. Senior | 1,879,733 |
| 12. Vogue | 1,880,614 |

ACTIVE OMNI MARKS:

- | | |
|------------|-------------------|
| 1. Omni | Cert. # 2,093,573 |
| 2. Baker | 1,883,578 |
| 3. Classic | 1,883,579 |
| 4. Escort | 1,884,966 |
| 5. Handler | 1,884,963 |
| 6. Jumbo | 1,883,581 |
| 7. Queen | 1,883,580 |
| 8. Senior | 1,884,968 |
| 9. Vogue | 1,884,967 |

Fax

PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES SECURITY AGREEMENT

This Patents, Trademarks, Copyrights, and Licenses Security Agreement ("Agreement") is made as of the 27th day of January, 1999, by INTERSTATE ACQUISITION CORP., a New York corporation ("Borrower"), having a mailing address at 30 Coldenham Road, Waldon, New York 12586 and delivered to FINOVA CAPITAL CORPORATION ("Lender") having a mailing address at 355 South Grand Avenue, Suite 2400, Los Angeles, California 90071.

BACKGROUND

A. This Agreement is being executed contemporaneously with that certain Loan and Security Agreement of even date herewith among Borrower and Lender (as it may hereafter be supplemented, restated, amended, superseded or replaced from time to time, the "Loan Agreement"), under which Borrower is granting Lender a lien on and security interest in the assets of Borrower associated with or relating to products leased or sold or services provided under Borrower's patents, trademarks, copyrights and the goodwill associated therewith, and under which Lender is entitled to foreclose or otherwise deal with such assets, patents, patent rights, patent applications, goodwill, trademarks, servicemarks, tradenames, copyrights, and copyright applications under the terms and conditions set forth therein. Capitalized terms not defined herein shall have the meanings given to such terms in the Loan Agreement.

B. Borrower has adopted, used and is using (or has filed applications for the registration of) the patents, patent rights, and patent applications (collectively, "Patents"); trademarks, servicemarks, tradenames, service trademark applications, and service tradenames (collectively, "Trademarks"); copyrights, and copyright applications and licenses (collectively "Copyrights"); and goodwill associated thereto ("Goodwill") listed on Schedule A attached hereto and made part hereof (all such Patents, Trademarks, Copyrights or Goodwill hereinafter referred to as the "Assets").

C. Pursuant to the Loan Agreement, Lender is acquiring a lien on, and security interest in all of the tangible and intangible personal property of Borrower, including, without limitation, the Assets and the registration thereof, together with all the goodwill of Borrower associated therewith and represented thereby, as security for all of Borrower's Obligations, and desires to have its security interest in such Assets confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office and United States Copyright Office, respectively.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Loan Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure Borrower's Obligations, Borrower grants a lien and security interest to Lender in all of its present and future right, title and interest in and to the Assets, together with all the goodwill of Borrower associated with and represented by the Assets, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. Borrower hereby covenants and agrees to maintain such of the Assets as are material to the business of Borrower, in full force and effect until all of Borrower's Obligations are indefeasibly paid and satisfied in full.

3. Borrower represents, warrants and covenants that:

(a) The Assets are subsisting and have not been adjudged invalid or unenforceable;

(b) Each of the Assets is valid and enforceable;

(c) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Assets, and each of the Assets is free and clear of any liens, claims, charges and encumbrances, including, without limitation, pledges, assignments, licenses and covenants by Borrower not to sue third persons;

(d) Borrower has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(e) Borrower has complied with, and will continue for the duration of this Agreement to comply with, the requirements set forth in 15 U.S.C. §§1051-1127, 17 U.S.C. §101, et seq., 35 U.S.C. §101 et seq. and any other applicable statutes, rules and regulations in connection with its use of the Assets; and

(f) The Assets listed on Schedule A constitute all of the Assets, and all applications for any of the foregoing, now owned by Borrower. If, before all Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated, Borrower shall (i) obtain rights to any new patentable inventions, trademarks, trademark registrations, tradenames, or copyrights or licenses, or (ii) become entitled to the benefit of any patent or trademark application, trademark, trademark registration, copyright or copyright registration or application or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto and such patent or trademark application, trademark, trademark registration, copyright or copyright registration or application

or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent shall be deemed part of the Assets. Borrower shall give Lender prompt written notice thereof along with an amended Schedule A.

4. Borrower further covenants that until all of Borrower's Obligations have been satisfied in full, it will not enter into any agreement, including, without limitation, license agreements as licensor or options as grantor, which are inconsistent with Borrower's obligations under this Agreement, except for agency, co-marketing and co-branding agreements.

5. So long as this Agreement is in effect and so long as Borrower has not received notice from Lender that an Event of Default has occurred and is continuing under the Loan Agreement and that Lender has elected to exercise its rights hereunder, and until Lender accelerates the Obligations of the Borrower under the Loan Agreement, Borrower shall continue to have the exclusive right to use the Assets and Lender shall have no right to use the Assets or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Assets to anyone else.

6. Borrower agrees not to sell, license, grant any option, assign or further encumber its rights and interest in the Assets without prior written consent of Lender.

7. If and while an Event of Default exists under the Loan Agreement and Lender is accelerating the Obligations of Borrower under the Loan Agreement, Borrower hereby covenants and agrees that Lender, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the State of Arizona, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Assets covered hereby. For such purposes, during an Event of Default under the Loan Agreement and following the acceleration by Lender of Borrower's Obligations under the Loan Agreement, Borrower hereby authorizes and empowers Lender, its successors and assigns, and any officer or agent of Lender as Lender may select, in its exclusive discretion, as Borrower's true and lawful attorney-in-fact, with the power to endorse Borrower's name on all applications, assignments, documents, papers and instruments necessary for Lender, to use the Assets or to grant or issue any exclusive or non-exclusive license under the Assets to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Assets to anyone else including, without limitation, the power to execute a trademark assignment in the form attached hereto as Exhibit I attached hereto and made part hereof. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms hereof, except for the gross negligence or wilful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Agreement, the Loan Documents, and until all Borrowers' Obligations are indefeasibly satisfied in full.

8. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Loan Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

9. All rights and remedies herein granted to Lender shall be in addition to any rights and remedies granted under the Loan Documents. In the event of an inconsistency between this Agreement and the Loan Agreement, the language of the Loan Agreement shall control.

10. Upon Borrower's performance of all of the obligations under the Loan Documents and full and unconditional satisfaction of all of Borrower's Obligations, Lender shall execute and deliver to Borrower all documents reasonably necessary to terminate Lender's security interest in the Assets.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Assets, or in defending or prosecuting any actions or proceedings arising out of or related to the Assets, or defending, protecting or enforcing Lender's rights hereunder, in each case in accordance with the terms of this Agreement, shall be borne and paid by Borrower on demand by Lender and until so paid shall be added to the principal amount of Borrower's Obligations and shall bear interest at the contractual per annum rate prescribed in the Loan Agreement applicable to the Revolving Credit Loans.

12. Subject to the terms of the Loan Agreement, Borrower shall have the duty to prosecute diligently any trademark application with respect to material Assets pending as of the date of this Agreement or thereafter, until Borrower's Obligations shall have been indefeasibly paid and satisfied in full, to preserve and maintain all rights in material Assets, and upon reasonable request of Lender, Borrower shall make federal application on registrable but unregistered patents, trademarks, copyrights or licenses belonging to Borrower. Any reasonable expenses incurred in connection with such applications shall be borne by Borrower. Borrower shall not abandon any material Patent, Trademark or Copyright without the prior written consent of Lender.

13. Borrower shall have the right to bring suit in its own name to enforce the Assets, in which event Lender may, if Borrower reasonably deems it necessary, be joined as a nominal party to such suit if Lender shall have been satisfied, in its sole discretion, that it is not thereby incurring any risk of liability because of such joinder. Borrower shall promptly, upon demand, reimburse and indemnify Lender for all damages, reasonable costs and expenses, including reasonable attorneys' fees, incurred by Lender in the fulfillment of the provisions of this paragraph.

14. During the existence of an Event of Default under the Loan Agreement, Lender may, without any obligation to do so, complete any obligation of Borrower hereunder, in Borrower's name or in Lender's name, but at Borrower's expense, and Borrower hereby agrees to reimburse Lender in full for all reasonable costs and expenses, including reasonable attorneys' fees, incurred by Lender in protecting, defending and maintaining the Assets.

15. No course of dealing between Borrower and Lender nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Lender's rights and remedies with respect to the Assets, whether established hereby or by the Loan Documents, or by any other future agreements between Borrower and Lender or by law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

17. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

18. This Agreement shall be governed by and construed in conformity with the laws of the State of Arizona without regard to its otherwise applicable principles of conflicts of laws.

19. Borrower and Lender each waives any and all rights it may have to a jury trial in connection with any litigation, proceeding or counterclaim arising with respect to rights and obligations of the parties hereto or under the Loan Documents.

IN WITNESS WHEREOF, the parties hereto have executed this Patents, Trademarks,
Licenses and Copyrights Security Agreement, the day and year first above written.

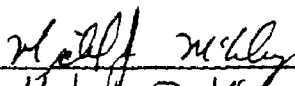
INTERSTATE ACQUISITION CORP.

By: 

ROBERT TILLIS
President

Approved and Accepted:

FINOVA CAPITAL CORPORATION

By: 
Name: Michael J. McAuley
Title: A.U.P.

SCHEDULE A

See Attached

PATENTS

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| 11. Senior | 1,879,733 |
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Fax

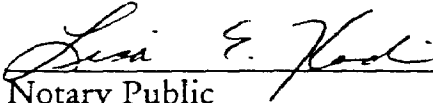
TRADEMARKS PENDING:

- | | |
|------------|--------------|
| 1. Classic | SN 75/389060 |
| 2. Rose | SN 75/389061 |
| 3. Spirit | SN 75/389269 |

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF NEW YORK : SS
COUNTY OF NEW YORK :

On this 27th of January, 1999, before me personally appeared Robert Tillis to me known and being duly sworn, deposes and says that he is President of Interstate Acquisition Corp., respectively, the corporation described in the foregoing Agreement; that they signed the Agreement; that the within Agreement is the voluntary act of such corporation; and they desire the same to be recorded as such.


Notary Public

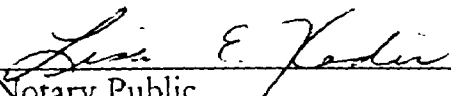
My Commission Expires:

LISA E. KADIN
Notary Public, State of New York
No. 31-5021674
Qualified in New York County
Commission Expires December 20, 1999

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF NEW YORK : SS
COUNTY OF NEW YORK :

On this 21 day of January, 1999 before me personally appeared Michael J. McCauley to me known and being duly sworn, deposes and says that he is assistant vice president of FINOVA CAPITAL CORPORATION; that he signed the Agreement as such officer pursuant to the authority vested in him by law; that the within Agreement is the voluntary act of such corporation; and he desires the same to be recorded as such.



Notary Public

My Commission Expires:

LISA E. KADIN
Notary Public, State of New York
No. 31-5021674
Qualified in New York County
Commission Expires December 20, 1999

EXHIBIT I

PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS ASSIGNMENT

WHEREAS, Interstate Acquisition Corp., a New York corporation ("Grantor") is the registered owner of the United States patents, patent rights, and patent applications, trademarks, servicemarks, tradenames, service trademark applications, and service tradenames, copyrights, and copyright applications and licenses listed on Schedule A attached hereto and made part hereof (the "Assets"), which are registered in the United States Patent and Trademark Office and United States Copyright Office, respectively; and

WHEREAS, _____ ("Grantee"),
having a place of business at _____, is desirous of
acquiring said Assets;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, subject to the terms of the Patents, Trademarks, Copyrights and License, Security Agreement, of even date herewith, between Grantor and Grantee, all of its present and future right, title and interest in and to the Assets and all proceeds thereof and all goodwill associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Patents, Trademarks, Licenses and Copyrights Assignment to be executed as of the _____ day of _____.

INTERSTATE ACQUISITION CORP.

By: _____
Attorney-in-fact

STATE OF :
 : S.S.
COUNTY OF :

On this _____ day of _____, _____, before me, a Notary Public for the said County and State, personally appeared _____ known to me or satisfactorily proven to me to be attorney-in-fact on behalf of Interstate Acquisition Corp. and he acknowledged to me that he executed the foregoing Patents, Trademarks, Licenses, and Copyrights Assignment on behalf of Grantor, and as the act and deed of Grantor for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

POWER OF ATTORNEY

INTERSTATE ACQUISITION CORP., a New York corporation, ("Grantor"), hereby authorizes FINOVA CAPITAL CORPORATION, its successors and assigns, and any officer or agent thereof (collectively, "Grantee") as Grantor's true and lawful attorney-in-fact, with the power to endorse Grantor's name on all applications, assignments, documents, papers and instruments necessary for Grantee to enforce and effectuate its rights under a certain Patents, Trademarks, Copyrights and License Security Agreement between Grantor and Grantee dated the date hereof (as it may hereafter be supplemented, restated, superseded, amended or replaced, the "Agreement"), including, without limitation, the power to use the Assets (as defined in the Agreement) and listed on Schedule A attached hereto and made part hereof, to grant or issue any exclusive or nonexclusive license under the Assets to anyone else, or to assign, pledge, convey or otherwise transfer title in or dispose of the Assets, in each case subject to the terms of the Agreement.


This Power of Attorney is given and any action taken pursuant hereto is intended to be so given or taken after the occurrence and during the continuance of an Event of Default under the Agreement or the Loan and Security Agreement pursuant to and subject to the provisions of a certain Loan and Security Agreement bearing even date herewith among Grantor and Grantee, as each document may be hereinafter supplemented, restated, superseded, amended or replaced.

Grantor hereby unconditionally ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms of the Agreement.

This Power of Attorney shall be irrevocable for the life of the Agreement.

IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney, intending to be legally bound, this 27th day of January, 1999.

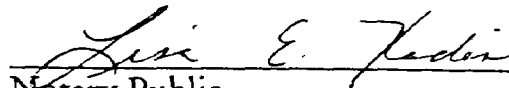
INTERSTATE ACQUISITION CORP.

By: 
Name: Robert Tillis
Title: President

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF NEW YORK : SS
COUNTY OF NEW YORK :

On this 27th of January, 1999, before me personally appeared Robert Tillis, to me known and being duly sworn, deposes and says that he is President of Interstate Acquisition Corp., the Grantor corporation described in the foregoing Power of Attorney; that he signed the Power of Attorney as such officer pursuant to the authority vested in him by law; that the within Power of Attorney is the voluntary act of such corporation; and he desires the same to be recorded as such.



Notary Public

My Commission Expires:

LISA E. KADIN
Notary Public, State of New York
No. 31-5021674
Qualified in New York County
Commission Expires December 20, 1999