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

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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

CJF Holdings, Inc.

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

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

2. Name and address of receiving party(ies)

Name: BankBoston Retail Finance Inc.

Internal Address:

Street Address: 40 Broad Street

City: Boston State: MA ZIP: 02109

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

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

Execution Date: May 14, 1999

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,107,147

USD 6.1899

Additional numbers attached? Yes No

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

Name: Laura E. Goldbard

Internal Address:

Street Address: Stroock & Stroock & Lavan LLP

180 Maiden Lane

City: New York State: NY ZIP: 10038

6. Total number of applications and registrations involved:

1

7. Total fee (37 CFR 3.41) \$ 40.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

19-4709

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

06/27/1999 DNGUYEN 00000350 194709 2107147 01 481 40.00 CH

DO NOT USE THIS SPACE

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.

Laura E. Goldbard

Name of Person Signing

Signature of Laura E. Goldbard

Signature

June 17, 1999

Date

10

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

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

**TRADEMARK AND TRADEMARK
APPLICATIONS SECURITY AGREEMENT**

This Trademark and Trademark Applications Security Agreement (the "**TM Security Agreement**") is made as of the 14 day of May, 1999, by CJF Holdings, Inc., a New York corporation with an address of One Townline Circle, Rochester, NY 14623 (the "**Guarantor**") and BankBoston Retail Finance Inc., a Delaware corporation with offices at 40 Broad Street, Boston, Massachusetts 02109 (the "**Lender**").

RECITALS

WHEREAS, pursuant to the Loan and Security Agreement dated May 14, 1999 (as amended from time to time, the "**Loan Agreement**") made between People's Pottery, Inc. (the "**Borrower**") and the Lender, the Lender has agreed to make certain Loans (as defined in the Loan Agreement, hereinafter, the "**Loans**") available to the Borrower;

WHEREAS, pursuant to the Unlimited Guaranty dated May 14, 1999 (the "**Guaranty**") made between the Guarantor and the Lender, the Guarantor has guaranteed, in accordance with the terms of the Guaranty, the payment and performance of the Liabilities (as defined in the Loan Agreement) of Borrower to Lender; and

WHEREAS, as a condition, among others, to establishing the credit facilities contemplated by the Loan Agreement, and to further secure the Liabilities guaranteed by the Guaranty, the Guarantor has executed this TM Security Agreement.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor and the Lender agree as follows:

1. Terms used herein which are defined in the Loan Agreement are used as so defined.
2. To secure the Liabilities, the Guarantor hereby grants a security interest in favor of, and collaterally assigns to the Lender, with power of sale (which power of sale shall be exercisable only following the occurrence of an Event of Default as defined in the Loan Agreement and used herein as so defined), in and to the following and all proceeds thereof:

a. All of the Guarantor's now owned or existing or hereafter acquired or arising trademarks, trademark applications, service marks, registered service marks and service mark applications including, without limitation, those listed on **EXHIBIT A** annexed hereto and made a part hereof, together with any goodwill connected with and symbolized by any such trademarks, trademark applications, service marks, registered service marks, and service mark applications.

b. All renewals of any of the foregoing.

c. All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the foregoing, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof.

d. The right to sue for past, present and future infringements and dilutions of any of the foregoing.

e. All of Guarantor's rights corresponding to any of the foregoing throughout the world.

All of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications described in Subsection 2(a), together with the items respectively described in Subsections 2(b) through and including 2(e) are hereinafter individually and/or collectively referred to as the "**Marks**".

3. Until this TM Security Agreement is terminated in writing by a duly authorized officer of the Lender, the Guarantor shall undertake the following with respect to each Mark:

a. Pay all renewal fees and other fees and costs associated with maintaining the Marks and with the processing of the Marks.

b. At the Guarantor's sole cost, expense, and risk, pursue the prompt, diligent, processing of each Application for Registration which is the subject of the security interest created herein and not abandon or delay any such efforts.

c. At the Guarantor's sole cost, expense, and risk, take any and all action which is necessary or desirable to protect the Marks, including, without limitation, the prosecution and defense of infringement actions.

4. In the event of

a. the Guarantor's neglect, within Five (5) days of written notice from the Lender, to cure any failure by the Guarantor to perform any of the Guarantor's obligations set forth in Section 3, above and/or

b. the occurrence of any Event of Default,

the Lender acting in its own name or in that of the Guarantor may (but shall not be required to) act in the Guarantor's place and stead and/or in the Lenders' own right in connection therewith.

5. Guarantor represents and warrants that:

a. **EXHIBIT A** includes all of the registered trademarks, Federal trademark applications, registered service marks and Federal service mark applications now owned by the Guarantor.

b. No liens, claims or security interests have been granted in any Mark by the Guarantor to any Person other than to the Lender.

6. In order to further secure the Liabilities:

a. Guarantor shall give the Lender written notice (with reasonable detail) within ten (10) days following the occurrence of any of the following:

i. The Guarantor obtains rights to, and files applications for registration of, any new trademarks, or service marks, or otherwise acquires ownership of any newly registered trademarks, registered service marks, trademark applications, or service mark applications, (other than Guarantor's right to sell products containing the trademarks of others in the ordinary course of Guarantor's business).

ii. The Guarantor becomes entitled to the benefit of any registered trademarks, trademark applications, trademark licenses, trademark license renewals, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor (other than Guarantor's right to sell products containing the trademarks of others in the ordinary course of Guarantor's business).

iii. The Guarantor enters into any new trademark license agreement or service mark license agreement.

b. The provisions of this TM Security Agreement shall automatically apply to any such additional property or rights described in 6(a), above, all of which shall be deemed to be and treated as "Marks" within the meaning of this TM Security Agreement.

c. The Guarantor hereby authorizes the Lender to modify this agreement by amending EXHIBIT A to include any future registered trademarks, trademark applications, registered service marks and service mark applications, written notice of which is so given, *provided, however*, the modification of said EXHIBIT shall not be a condition to the creation or perfection of the security interest created hereby.

7. Upon the occurrence of any Event of Default, the Lender may exercise all rights and remedies of a secured party upon default under the Uniform Commercial Code as adopted in Massachusetts (Massachusetts General Laws, Chapter 106), with respect to the Marks, in addition to which the Lender, subject to the terms of the Loan Agreement, may sell, license, assign, transfer, or otherwise dispose of the Marks. Any person may conclusively rely upon an affidavit of an officer of the Lender that an Event of Default has occurred and that the Lender is authorized to exercise such rights and remedies.

8. The Guarantor hereby irrevocably constitutes and designates the Lender as and for the Guarantor's attorney-in-fact, effective with and upon the Lender's first exercise (the "First Exercise") of such powers following the occurrence of any Event of Default:

a. To exercise any of the rights and powers referenced in Section 3.

b. To execute all and singular such instruments, documents, and papers as the Lender determines to be appropriate in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the Marks.

The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until this TM Security Agreement is terminated by a duly authorized officer of the Lender, but shall be exercisable only following the occurrence of an Event of Default.

9. Any use by the Lender of the Marks as authorized hereunder in connection with the exercise of the Lender's rights and remedies under the within TM Security Agreement and the Loan Agreement shall be coextensive with Guarantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Lender to the Guarantor. Such use by the Lender shall be permitted only with and upon the First Exercise following the occurrence of an Event of Default.

10. Following the payment and satisfaction of all Liabilities, and the termination of any obligation of the Lender to provide loans or financial accommodations under the credit facility contemplated by the Loan Agreement, this TM Security Agreement shall terminate and the Lender shall execute and deliver to Guarantor all such instruments as the Guarantor may reasonably request to release any encumbrance in favor of the Lender created hereby or pursuant hereto, subject, however, to any disposition thereof which may have been made by Lender pursuant hereto or pursuant to the Loan Agreement.

11. The Guarantor shall, at the request of the Lender, do any and all acts and execute any and all documents required by the Lender in connection with the protection, preservation, and enforcement of the Lender's rights hereunder.

12. The Guarantor shall, upon demand, reimburse the Lender for all costs and expenses incurred by the Lender in the exercise of any rights hereunder (including, without limitation, fees and expenses of counsel).

13. Lender hereby acknowledges that the Guarantor shall continue to have the exclusive right, prior to notice from the Lender following the occurrence of an Event of Default, to sue for past, present and future infringement of the Marks including the right to seek injunctions and/or money damages, in an effort by Guarantor to protect the Marks against encroachment by third parties; *provided, however*, that Guarantor first notifies Lender in writing of its intention to sue for enforcement of the Marks against a particular party. All costs arising in connection with any infringement shall be borne by Guarantor.

14. Neither anything contained in this TM Security Agreement or in the Loan Agreement nor any act, omission, or circumstance may be construed as directly or indirectly conveying to the Lender any rights in and to the Marks, which rights are effective except following the occurrence of any Event of Default (and in such circumstances, only with and upon the First Exercise).

15. This TM Security Agreement is intended to supplement the Loan Agreement. All provisions of the Loan Agreement shall apply to the Marks and the Lender shall have the same rights with respect to any and all security interests in the Marks granted the Lender to secure the Liabilities hereunder as thereunder. In the event of a conflict between this TM Security Agreement and the Loan Agreement, the terms of this TM Security Agreement shall control with respect to the Marks and the Loan Agreement with respect to all other collateral.

Intentionally Blank

IN WITNESS WHEREOF, the Guarantor and the Lender respectively have caused this
TM Security Agreement to be executed by officers duly authorized to do so on the date first
above written.

(The "Guarantor")

(The "Lender")

CJF Holdings, Inc.

BankBoston Retail Finance Inc.

By: *James S. Froehler*

By:

Title: *Chairman*

Title:

THE COUNTY OF *Monroe* , SS

Then personally appeared before me James Froehler who acknowledged that such person
is the duly authorized of CJF Holdings, Inc. and that such person had executed the foregoing
instrument on its behalf.

Witness my hand and seal this 14TH day of May, 1999.

[Signature]

Notary Public
My Commission Expires: *2/1/2000*

THE COUNTY OF _____ , SS

Then personally appeared before me Joseph Balsamo who acknowledged that such
person is the duly authorized of BankBoston Retail Finance Inc. and that such person had
executed the foregoing instrument on its behalf.

Witness my hand and seal this _____ day of _____, 1999.

Notary Public
My Commission Expires:

Signature Page to Trademark and Trademark Applications Security Agreement

IN WITNESS WHEREOF, the Guarantor and the Lender respectively have caused this
TM Security Agreement to be executed by officers duly authorized to do so on the date first
above written.

(The "Guarantor")

CJF Holdings, Inc.

By:

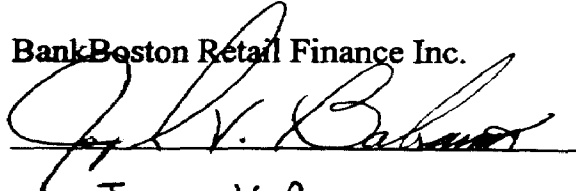
Title:

(The "Lender")

BankBoston Retail Finance Inc.

By: JOSEPH V. BALSAMO

Title: DIRECTOR



THE COUNTY OF _____, SS

Then personally appeared before me James Froehler who acknowledged that such person
is the duly authorized of CJF Holdings, Inc. and that such person had executed the foregoing
instrument on its behalf.

Witness my hand and seal this _____ day of _____, 1999.

Notary Public
My Commission Expires:

THE COUNTY OF *Suffolk*, SS

Then personally appeared before me Joseph Balsamo who acknowledged that such
person is the duly authorized of BankBoston Retail Finance Inc. and that such person had
executed the foregoing instrument on its behalf.

Witness my hand and seal this *17th* day of *May*, 1999.

Patricia Johnson

Notary Public
My Commission Expires: *July 30, 2004*

Signature Page to Trademark and Trademark Applications Security Agreement

EXHIBIT A

Guarantor's now owned or existing or hereafter acquired or arising registered service marks and Federal service mark applications, registered trademarks, and Federal trade mark applications:

Trademark/Service Mark Registrations

TRADEMARK REGISTRATION NUMBER

REGISTRATION DATE

PEOPLE'S POTTERY 2,107,147

OCTOBER 21, 1997

20061094v1

RECORDED: 06/18/1999

**TRADEMARK
REEL: 001917 FRAME: 0309**