

FORM PTO-1618A
Expires 08/30/98
OMB 0651-0027

11-18-1999



101203876

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID # _____
- Correction of PTO Error
Reel # _____ Frame # _____
- Corrective Document
Reel # _____ Frame # _____

Conveyance Type

- Assignment License
 - Security Agreement Nunc Pro Tunc Assignment
 - Merger Change of Name
 - Other _____
- Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached
Name Safas Corporation Execution Date 11031999
Month Day Year

Formerly _____

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

Receiving Party

Mark if additional names of receiving parties attached

Name Summit Bank

DBA/AKA/TA _____

Composed of _____

Address (line 1) 750 Walnut Avenue

Address (line 2) _____

Address (line 3) Cranford NJ 07016
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 New Jersey

11/18/1999 DCOATES 00000039 1826041

FOR OFFICE USE ONLY

01 FC:481 40.00 OP
02 FC:482 50.00 OP

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

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

TRADEMARK
REEL: 001989 FRAME: 0133

FORM PTO-1618B
Expires 06/30/99
OMB 0651-0027

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U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

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)

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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.

Walter J. Fessler

11/3/99

Name of Person Signing

Signature

Date Signed

RECORDATION FORM COVER SHEET CONTINUATION TRADEMARKS ONLY

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

FORM PTO-1618C
Expires 06/30/99
OMB 0651-0027

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional 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

Corporation Association

Other

Citizenship/State of Incorporation/Organization

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 the Assignment.)

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).

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Registration Number(s)

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SECURITY AGREEMENT RELATING TO TRADEMARKS

3rd THIS SECURITY AGREEMENT RELATING TO TRADEMARKS, dated this day of November, 1999 made by Safas Corporation, a New Jersey corporation with offices located at 2 Ackerman Avenue, Clifton, New Jersey 07011 ("Grantor") in favor of Summit Bank, a New Jersey banking corporation with offices located at 750 Walnut Street, Cranford, New Jersey 07016 ("Bank").

WHEREAS, Grantor and Bank entered into a certain Loan and Security Agreement dated even date herewith (said Loan and Security Agreement and all future extensions, modifications and renewals thereof being hereinafter collectively referred to as the "Loan Agreement"); and

WHEREAS, pursuant to the Loan Agreement, Bank has agreed to make loans and/or extend other financial accommodations to Grantor upon the terms and conditions set for therein; and

WHEREAS, Grantor's obligations of payment and performance under the Loan Agreement are hereinafter called the "Obligations"; and

WHEREAS, Grantor owns each of the Trademarks (as hereinafter defined) listed on Schedule A attached hereto; and

WHEREAS, pursuant to the terms of the Loan Agreement and in order to secure the payment of the Obligations, Grantor has granted to the Bank a security interest in, among other things, all right, title and interest of the Grantor in, to and under the Trademarks, including, without limitation, (i) the goodwill of the business symbolized by the Trademarks and the applications therefor and the registrations thereof, and (ii) all products and proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement or dilution thereof or injury to the associated goodwill, in all of the foregoing cases, for the life of each of the Trademarks; and

WHEREAS, it is a condition precedent to the obligation of the Bank to extend and/or to continue to extend financial accommodations to Grantor under the Loan Agreement, including, without limitation, for the purpose of perfecting the security interests granted therein that the Grantor shall have executed and delivered this Agreement to the Bank for its benefit; and

WHEREAS, for convenience of reference and recordation, but with no intention to supersede the terms of the Loan Agreement and the Obligations but instead to supplement same, the parties hereto have entered into this Agreement.

NOW, THEREFORE, in consideration of the premises and to induce the Bank to enter into and/or continue the Loan Agreement and the Obligations, and to induce the Bank to extend financial

accommodations to Grantor under the Loan Agreement, Grantor hereby agrees in favor of the Bank, as follows:

1. Unless otherwise defined herein, terms used but not defined herein, shall have the same meaning herein that they have in the Loan Agreement.

"Trademarks" mean Grantor's United States Trademarks listed on Schedule A attached hereto, the United States Trademark Registrations and applications therefor and renewals thereof, and the goodwill associated therewith now owned or hereafter acquired.

2. As collateral security for the prompt and complete payment and performance when due of the Obligations, and pursuant to the Loan Agreement, the Grantor hereby grants to the Bank for its benefit a security interest in all of Grantor's right, title and interest in and to the following collateral (whether now owned or hereafter acquired), namely:

(a) the Trademarks and the goodwill associated therewith; and

(b) all proceeds and products of the Trademarks, including, but not limited to, any claim by Grantor against third parties for (i) past, present or future infringement or dilution of any Trademark (including, without limitation, any Trademark or Trademark registration including without limitation any Trademark Registration or any Trademark license, or (ii) rights of recovery for injury to the goodwill associated with any Trademark, Trademark registration or Trademark license together with, in all of the foregoing cases,, the proceeds of the foregoing and the goodwill associated therewith.

3. Grantor hereby represents and warrants as follows:

(a) Unless otherwise indicated herein, each Trademark is registered in the U.S. Trademark Office and is valid, subsisting, unexpired and enforceable and has not been abandoned. No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or question the validity of the Trademarks and/or registrations thereof and, there is no claim made or, to Grantor's knowledge, threatened by any third party that the use by the Grantor of any Trademark infringes on the intellectual property of any third party or that the Trademarks and/or patent applications therefor are invalid or unenforceable.

(b) No action or proceeding is pending or, to the Grantor's knowledge, threatened seeking to oppose, limit, cancel or question the validity of the Trademarks or applications therefor.

(c) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of

the Trademarks, except as otherwise set forth herein, free and clear of any lien, security interest, charge, encumbrance or other claim, except for the lien and security interest created by the Loan Agreement, the Obligations and this Security Agreement Relating to Trademarks. No effective security agreement, financing statement or other instrument similar in effect covering all or any part of the Trademarks is on file in any recording office, except such as may have been filed in favor of the Bank relating to the Loan Agreement.

(d) This Security Agreement Relating to Trademarks will create for the benefit of the Bank a valid and perfected first priority security interest in the Trademarks upon filing of financing statements with (i) under the Code, the Secretary of State in the state of Grantor's chief executive office and principal place of business (which is represented to be located in New Jersey for the Grantor) and (ii) as it relates to the Trademarks, the United States Trademark Office.

4. The Grantor hereby grants to the Bank and its employees and agents the right, upon such prior notice as set forth in the Loan Agreement, to visit the Grantor's plants and facilities which manufacture, inspect or store products sold under the Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours.

5. The Grantor agrees that from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Bank may reasonably request, in order to perfect and protect any security granted or purported to be granted hereby or to enable the Bank to exercise and enforce its rights and remedies hereunder with respect to any Collateral.

6. Upon the occurrence of an Event of Default (as defined in the Loan Agreement), the Bank may exercise for its benefit, in addition to all other rights and remedies granted to it in this Security Agreement Relating to Trademarks, the Loan Agreement and the Obligations, 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. Upon written demand of the Bank, Grantor shall deliver to the Bank peaceful ownership of the Collateral and shall execute such documents as are necessary or appropriate for the Bank to realize its remedies under this Security Agreement Relating to Trademarks, provided that the failure of the Grantor to comply with such demand will not impair or affect the validity of this Security Agreement Relating to Trademarks. To the extent notice of sale, or other disposition of the Trademarks shall be required by law, at least ten (10) days notice shall be provided to the Grantor of the time and place of

any public sale and such notice shall constitute reasonable notification.

7. Grantor hereby appoints Bank as Grantor's true and lawful attorney-in-fact with authority from time to time in the case of actions described herein or otherwise after the occurrence of and during the continuance of an Event of Default (as defined in the Loan Agreement), in the place and stead of Grantor and in the name of Grantor, to take any and all appropriate action and execute any instrument that the Bank may deem necessary or advisable to accomplish the purpose of the Loan Agreement and this Security Agreement Relating to Trademarks.

8. As stated above, it is the intention of the Grantor and the Bank that this Security Agreement Relating to Trademarks has been executed in order to supplement the Loan Agreement in order to secure the payment of the Obligations and with no intention to supersede the terms of same. In the event that a conflict should occur between the terms of this Security Agreement Relating to Trademarks and the Loan Agreement, such inconsistency shall be resolved in a manner which protects the Bank's rights rather than restricts such rights.

9. (a) No consent by the Bank to any departure by the Grantor from any provision of this Security Agreement Relating to Trademarks shall in any event be effective against the Bank unless the same shall be in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) Except as otherwise set forth in Paragraph 9(a) above, no amendment or waiver of any provision of this Security Agreement Relating to Trademarks shall in any event be effective unless the same shall be in writing and signed by the Bank or the Grantor, as the case may be, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

10. All notices and other communications to any party provided for herein shall be in writing and mailed, couriered or otherwise delivered to such party in the manner specified in the Loan Agreement and addressed to it at the address of such party specified in the Loan Agreement.

11. If (a) an Event of Default (as defined in the Loan Agreement) shall have occurred and, by reason of waiver, cure, modification, amendment or otherwise, no longer be continuing, (b) no other Event of Default (as defined in the Loan Agreement) shall have occurred and be continuing, and (c) the Obligations have been fully satisfied, the Bank shall promptly execute a release relinquishment and discharge of this Security Agreement Relating to Trademarks.

12. This Security Agreement Relating to Trademarks shall be governed by, and construed and enforced in accordance with the laws of the State of New Jersey, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the security interest granted hereunder, or remedied hereunder, in respect of any of the Trademarks are governed by the laws of the United States of America.

IN WITNESS WHEREOF, the Grantor and Summit Bank have each caused this Security Agreement Relating to Trademarks to be executed by their respective duly authorized officers on the date and year first above written.

ATTEST:

Suzanne Grubary

SAFAS CORPORATION

By: *A. J. Huber*
President

ATTEST:

Clara C. ...
Vice President

SUMMIT BANK

By: *Maria ...*
Vice President

SCHEDULE A

Trademarks

GRAINCOAT Reg. No. 1,826,041

EVERSTONE Reg. No. 2,119,572

SAFAS & Design Reg. No. 1,994,440