

03-03-2000



101281324
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
 - Merger
 - Change of Name
 - Other
- Effective Date
Month Day Year
10 12 1999

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name PORTOBELLO AMERICA, INC.

10 12 1999

Formerly

- Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization DELAWARE

Receiving Party

Mark if additional names of receiving parties attached

Name BANC OF AMERICA FINANCE CORPORATION

DBA/AK/ATA THROUGH ITS, BANC OF AMERICA COMMERCIAL FUNDING DIVISION

Composed of

Address (line 1) 222 NORTH LASALLE STREET

Address (line 2) SUITE 500

Address (line 3) CHICAGO IL/USA 60601

City State/Country Zip Code

- Individual General Partnership Limited Partnership Association
- Corporation

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.)

Other

03/02/2000 00000407 1406743
01 FC:481
02 FC:482
40.00 UP 50.00 UP
Citizenship/State of Incorporation/Organization DELAWARE

FOR OFFICE USE ONLY

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

3127043578

Name

WENDY L. TAMBLYN

Address (line 1)

HINSHAW & CULBERTSON

Address (line 2)

222 NORTH LASALLE STREET

Address (line 3)

SUITE 300

Address (line 4)

CHICAGO, IL 60601

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

6

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)

1406743		
1699084		
1949861		

Number of Properties

Enter the total number of properties involved.

#

3

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

90.00

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.

WENDY L. TAMBLYN

Name of Person Signing



Signature

01172000

Date Signed

**RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY**

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

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

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date

Name

Month Day Year

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 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.)

Corporation Association

Other

Citizenship/State of Incorporation/Organization

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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**AGREEMENT CONCERNING
USE OF TRADEMARKS**

Notwithstanding the provisions of Section 6 of the **Trademark License Agreement** attached hereto, Banc of America Commercial Finance Corporation (through its Banc of America Commercial Funding Division, herein the "Lender"), Portobello, S.A. and Portobello America Inc. hereby agree that the "Trademarks" (consisting of "PORTOBELLO" and Design, "POINTER," and "PORTOFINO CERAMIC TILES" and Design) may be used by Lender or its assignee upon an Event of Default and exercise by Lender of its rights under the Patent, Trademark and License Mortgage (the "Mortgage") of even date herewith between Lender and Portobello America Inc. for the purpose of liquidating and disposing of any inventory of tiles or other goods manufactured and/or marketed under any of such Trademarks, which inventory may be acquired by Lender or its assignee as part of the collateral being provided to Lender under the Loan and Security Agreement first described in the Mortgage.

Date: October 12, 1999

**Banc of America Finance Corporation,
through its Bank of America Commercial
Funding Division, a Delaware corporation**

By: *R. G. Simon*
Name: *Richard A. Simon*

Title: *SVP*

By: *Robert Hendry*

Name: *Robert Hendry*

Title: *V-P*

**Portobello America Inc.,
a Delaware corporation**

By: *Brian L. Streadbeck*

Name: *BRIAN L. STREADBECK*

Title: *EX VP & C.O.O.*

By: *Raulo Pereira Jr*

Name: *Raulo Pereira Jr*

Title: *VP & Secretary*

**Portobello, S.A.,
a Brazil corporation**

By: *Glauco Jose Corte*

Name: *GLAUCO JOSE CORTE*

Title: *EXECUTIVE VICE PRESIDENT*

By: *Mario A.F. Baptista*

Name: *MARIO A.F. BAPTISTA*

Title: *FINANCIAL DIRECTOR*

TRADEMARK LICENSE AGREEMENT

This Trademark License Agreement is made effective as of October 1, 1999, between Portobello, S.A., a Brazil corporation having its offices at Rua Antonio Dib Mussi, 336 Caixa Postal, 371 Centro CEP 88015-110, Florianopolis, Santa Catarina, Brazil ("Licensor"), and Portobello America Inc., a Delaware corporation having its offices at 1239 Allec Street, Anaheim, California 92085 ("Licensee").

RECITALS

7 (1406743)
A. **Licensor** is the owner of certain trademarks relating to its business of designing, manufacturing, selling and distributing ceramic tiles. These include the following marks registered in the United States: (1) "**PORTOBELLO**" and **Design**, United States Registration Number 140643, Registered August 25, 1986; (2) "**POINTER**," United States Registration Number 1699084, Registered July 7, 1992; and (3) "**PORTOFINO CERAMIC TILES**" and **Design**, United States Registration Number 1949861, Registered January 23, 1996.

B. **Licensee** is the distributor of **Licensor's** ceramic tiles in North and Central America, and has been using **Licensor's** trademarks in certain portions of this area of distribution, with **Licensor's** permission, since at least 1990.

C. **Licensor** is the majority owner of **Licensee's** stock.

D. **Licensee** and **Licensor** wish to memorialize and set forth in this document their agreement concerning the terms of use of **Licensor's** trademarks.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. **DEFINITIONS**. In this Agreement, the following terms shall have the meanings set forth below:

- a. **Trademarks**. The term "**Trademarks**," shall mean all trademarks, trademark registrations, trademark applications, tradenames and tradestyles, service marks, service mark registrations, and service mark applications, now or hereafter owned and utilized by Licensor, including, without limitation, the United States registered trademarks listed in Recital A above. *AS*
- 199*
- AS*
- AS*

b. **Territory.** The term "**Territory**" shall mean the whole of North America, Central America, and the Caribbean area including the countries listed on Exhibit A hereto.

2. **LICENSE.** Licensor hereby grants to Licensee a royalty-free, non-exclusive, non-transferable right and license to use the **Trademarks** in connection with the distribution and sale of ceramic tiles throughout the whole of the **Territory**.

3. **ANCILLARY USE OF TRADEMARKS.** Licensee is specifically authorized to use the mark "**PORTOBELLO AMERICA**" as its trade name. Licensee is further authorized to use, within the **Territory**, and to file or register with any applicable governmental authority having jurisdiction within the **Territory**, the **Trademarks** in publicity, advertising, signs, product brochures, cartons, web sites, and other forms of advertising, subject to such reasonable restrictions as may be placed on said use by Licensor from time to time. Any such restrictions shall be in writing and provide sufficient advanced notification to permit Licensee to make the requested changes without unduly interfering with advertising programs already in place.

4. **PROTECTION OF LICENSED TRADEMARKS.** In the event that Licensee learns of any infringement or threatened infringement of any of the **Trademarks**, or any passing-off, or that any third party alleges or claims that any of the **Trademarks** is liable to cause deception or confusion to the public, or is liable to dilute or infringe any right, Licensee shall forthwith notify Licensor by giving particulars thereof. Licensor shall take such legal steps as are reasonably required to respond to any such infringement, threatened infringement, passing-off, or third party claim, in order to protect and maintain the value of the **Trademarks**. Should Licensor fail to respond in a timely fashion to any such infringement, threatened infringement, passing-off, or third party claim, Licensee is authorized to reasonably respond thereto and Licensor shall reimburse licensee for expenses incurred in such response.

5. **ADDITIONAL TRADEMARK FILINGS.** Should Licensee reasonably determine that additional filings are necessary or desirable in order to protect the **Trademarks** within its **Territory**, Licensee shall notify Licensor in writing of such desired filing and the expected costs involved. Licensor shall then either promptly undertake such filing, or shall authorize Licensee to undertake such filing on its behalf. In the latter event, Licensor shall reimburse Licensee for the reasonable expenses incurred in pursuing such registration.

6. **ASSIGNMENT OR SUBLICENSE.** Licensee shall not, without the prior written consent of Licensor, assign the benefits or obligations of this contract to any third party, or purport to grant any sublicense with respect to any of the **Trademarks**.

7. **TERM AND TERMINATION.** Unless terminated in accordance with this Agreement, the trademark license granted hereunder shall continue in effect indefinitely. Unless the parties mutually agree to a shorter termination period, either party may terminate this Agreement, for any reason, by giving one hundred eighty (180) days written notice to the

other. Upon such termination, all rights, privileges and obligations arising from this agreement shall cease to exist.

8. **NOTICES.** Any notice required or permitted to be given under this Agreement shall be by written communication by way of telex, registered or certified mail, and confirmed by facsimile, and shall be directed by one party to the other at its respective address as follows:

Licensor: Portobello, S.A.
Attention: Cesar Gomes, Junior
Rua Antonio Dib Mussi, 336
Caixa Postal, 371
Centro CEP 88015-110
Florianopolis, Santa Catarina, Brazil
Facsimile No. (011) 55-48 224-1932

Licensee: Portobello America Inc.
Attention: Brian L. Streadbeck
1239 Allec Street
Anaheim, California 92085
Facsimile No. 714-535-6109

Either party may change its address or facsimile number to which notices shall be directed by written notice to the other party, but until such change of address has been received, any notice or request sent to the above address shall be effective upon mailing and shall be considered as having been received.

9. **SEVERABILITY.** It is the belief of the parties that this Agreement does not contain any provisions contrary to law. If any part of this Agreement, however, shall be determined to be illegal, invalid or unenforceable, that part shall be severed from the Agreement and the remaining parts shall be valid and enforceable, so long as the remaining parts continue to fulfill the original intent of the parties.

10. **JURISDICTION AND VENUE.** The parties agree that personal and subject matter jurisdiction and venue to interpret this Agreement is proper in the courts of the state of California, and that California law will govern any disputes related to this Agreement.

11. **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which shall constitute a duplicate original. PPF

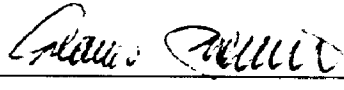
12. **INTEGRATION CLAUSE.** This Agreement constitutes the entire agreement between the parties and supersedes any and all prior agreements or understandings, written or oral, between them relating to the subject matter of the dispute. No other promises or agreements shall be binding upon the parties with respect to this subject matter unless contained in this Agreement or separately agreed to in writing and signed by an authorized representative of each of the parties. ms

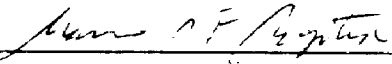
13. **AUTHORITY TO EXECUTE THIS AGREEMENT.** The undersigned represent that they have authority to execute this Agreement on behalf of the respective parties and to carry out all obligations imposed hereunder. The undersigned have read, understand, and agree to the terms of this Agreement and have had the opportunity to consult with counsel regarding this Agreement.

Wherefore, the parties have executed this Agreement effective as of the date first above mentioned.

Licensor:

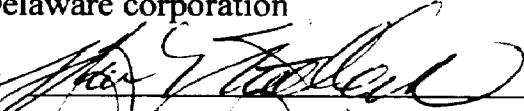
Portobello, S.A.,
a Brazil corporation

By: 
Name: CLAUDIO JOSE CURTE
Title: EXECUTIVE VICE PRESIDENT

By: 
Name: MARIO A.F. BAPTISTA
Title: FINANCIAL DIRECTOR

Licensee:

Portobello America Inc.,
a Delaware corporation

By: 
Name: BRIAN L. STREADBECK
Title: EX.V.P. & C.O.O.

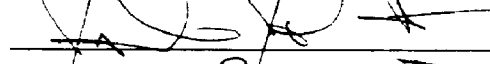
By: 
Name: Paulo Pereira Tr.
Title: VP & Secretary

EXHIBIT A
Trademark License Agreement

TERRITORY OF PORTOBELLO AMERICA, INC.

North America, Central America, and the Caribbean, including the following countries:

Antiqua	Guatemala
Aruba	Haiti
Bahamas	Honduras
Barbados	Jamaica
Belize	Mexico
Bermudas	Nassau
Canada	Nicaragua
Costa Rica	Panama
Cuba	Puerto Rico
Curacao	Saint Lucia
Dominica	St. Thomas
Dominican Republic	St. Vincent
El Salvador	Trinidad Tobago
Great Abaco	United States

MS

RR