

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
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<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	Secured Party Sale Agreement		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
BANC OF AMERICA STRATEGIC SOLUTIONS, INC.		02/07/2002	CORPORATION: DELAWARE
REGAL INDUSTRIES, INC.		02/07/2002	CORPORATION: PENNSYLVANIA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	GENAL STRAP, INC.		
<b>Doing Business As:</b>	DBA Vogue Strap		
<b>Street Address:</b>	31-00 47th Avenue		
<b>City:</b>	Long Island City		
<b>State/Country:</b>	NEW YORK		
<b>Postal Code:</b>	11101		
<b>Entity Type:</b>	CORPORATION: NEW YORK		
<b>PROPERTY NUMBERS Total: 1</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
Registration Number:	2380875	KREISLER	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(212)292-5391		
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<b>ATTORNEY DOCKET NUMBER:</b>	1740-550		
<b>NAME OF SUBMITTER:</b>	Dermot M. Sheridan		
<b>Signature:</b>	/dermot m. sheridan/		

OP \$40.00 2380875

Date:

06/09/2008

**Total Attachments: 17**

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## SECURED PARTY SALE AGREEMENT

This Secured Party Sale Agreement (this "Agreement") is made as of February 7, 2002, between Banc of America Strategic Solutions, Inc. (successor in interest to Bank of America Commercial Corporation) (the "Seller Party"), Regal Industries, Inc., a Pennsylvania corporation (formerly known as RII Acquisition Corp.) (the "Company") and Genal Strap, Inc., d/b/a Vogue Strap, a New York corporation (the "Buyer"). The Seller Party, the Company and the Buyer are, collectively, the "Parties."

### PRELIMINARY STATEMENTS

A. The Seller Party and the Company are parties to that certain Credit Agreement dated as of May 16, 1995, (as amended, restated or modified from time to time, the "Credit Agreement"), pursuant to which the Seller Party made certain Loans to the Company.

B. The Company's current indebtedness in connection with the Credit Agreement is evidenced by (i) that certain Amended and Restated Tranche A Note dated as of June 9, 1997 in the original face principal amount of \$\_\_\_\_\_ (the "Tranche A Note"); (ii) that certain Amended and Restated Tranche B Note dated as of June 9, 1997 in the original face principal amount of \$\_\_\_\_\_ (the "Tranche B Note"); (iii) that certain Tranche C Note dated as of June 9, 1997 in the original face principal amount of \$\_\_\_\_\_ (the "Tranche C Note"); (iv) that certain Amended and Restated Working Capital Note dated as of June 9, 1997 in the original face principal amount of \$\_\_\_\_\_ (the "Working Capital Note"); and (v) that certain New Overadvance Working Capital Note dated as of June 9, 1997 in the original face principal amount of \$\_\_\_\_\_ (the "Overadvance Working Capital Note" and, together with the Working Capital Note, the "Working Capital Notes" and, together with the Working Capital Note, the Tranche A Note, the Tranche B Note and the Tranche C Note, the "Notes").

C. As of the date hereof, the Company was indebted to the Seller Party in an amount equal to (a) \$\_\_\_\_\_ of indebtedness under the Tranche A Note; \$\_\_\_\_\_ of indebtedness under the Tranche B Note; \$\_\_\_\_\_ of indebtedness under the Tranche C Note; and \$\_\_\_\_\_ of indebtedness under the Working Capital Notes, plus (b) accrued and unpaid interest (as applicable) with respect to such indebtedness (collectively, the "Indebtedness").

D. The Company's obligations to the Seller Party under and in connection with the Credit Agreement and the Notes are secured by certain collateral in which the Company has granted the Seller party, as agent, for the benefit of the Seller Party, in its capacity as a lender, a security interest (the "Security Interest") pursuant to that certain Security Agreement dated as of May 15, 1995 (the "Security Agreement"). The Credit Agreement, the Notes, the Security Agreement and any related loan, amendment or security documents are collectively referred to herein as the "Loan Documents."

E. Certain Defaults and Events of Default (the "Defaults") have occurred and are continuing under the Credit Agreement as a result of, among other things, the Company's failure to pay certain installments of principal and interest when due. The Defaults have not been waived by the Seller Party and have not been cured by the Company.

F. The Seller Party desires to foreclose upon and sell to the Buyer at a private secured party sale certain of the Company's assets that are subject to the Security Interest, and the Buyer desires to buy these assets from the Seller Party, pursuant to Section 9-610 of the UCC, on the terms and conditions set forth in this Agreement (the "Secured Party Sale").

G. Buyer is not assuming any of the Company's liabilities or obligations.

H. The Company (i) is, as of the Closing Date (as defined hereinafter), insolvent; (ii) is entering into this Agreement for the purpose of facilitating the secured party sale transaction referenced herein and of consenting to the collection of the Existing Receivables (as defined hereinafter) by the Buyer; and (iii) may, at some point occurring shortly after the execution and effectiveness of this Agreement, file a voluntary petition seeking protection under the United States Bankruptcy Code.

## AGREEMENT

The Parties acknowledge the accuracy of the foregoing Preliminary Statements and, in consideration of the foregoing Preliminary Statements, and for other good and valuable consideration, agree as follows:

### ARTICLE I DEFINITIONS

Section 1.1 Definitions. The following terms shall have the following meanings:

(a) "Accounts" shall mean all rights of the Debtor to payment for goods sold or leased or for services rendered, all sums of money or other proceeds or becoming due thereon, all instruments pertaining thereto, all guarantees and security therefor, and the Debtor's rights pertaining to and interest in such goods, including the right of stoppage in transit, replevin or reclamation; all chattel paper; all credit card receivables; all franchise fees; all royalties; all amounts due from affiliates of the Debtor, all other rights and claims to the payment of money, under contracts or otherwise, including amounts due from affiliates, tax refunds and insurance proceeds; and all other property constituting "accounts" as such term is defined in the Uniform Commercial Code.

(b) "Agreement" shall mean this Secured Party Sale Agreement, including the Schedules, Exhibits and attachments hereto.

(c) "Affiliate" of a Person shall mean a Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common Control with, the first Person.

(d) "Business" shall mean the business of the Company.

(e) "Buyer" shall have the meaning set forth in the introductory paragraph of this Agreement.

(f) "Closing" shall mean the closing of the purchase and sale of the Transferred Assets, as contemplated by Section 2.6 below.

(g) "Closing Date" shall mean February 7, 2002.

(h) "Company" shall have the meaning set forth in the introductory paragraph of this Agreement.

(i) "Confidential Information" shall mean any information associated with the Business, including without limitation, information regarding its software, intellectual property, trade secrets, systems, procedures, manuals, proprietary business processes, confidential reports and strategies and lists suppliers and customers.

(j) "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities, by contract or other arrangement, as trustee or executor, or otherwise.

(k) "Excluded Assets" shall mean a collective reference to (i) all of the Company's Accounts, including, without limitation, all receivables of any kind, (ii) all of the Company's prepaid assets, (iii) all of the Company's deposits, rebates and cash, (iv) all of the Company's Inventory, and (v) all claims, causes of action or other rights the Company may have against former employees or officers of the Company, each as existing as of the date hereof.

(l) "Existing Receivables" shall mean a collective reference to all Accounts of the Company existing as of the Closing Date.

(m) "Indemnification Notice" shall mean the written notice provided by the Indemnified Party to the Indemnifying Party setting forth the basis of an indemnification claim.

(n) "Indemnified Party" shall mean the party seeking indemnification pursuant to the terms of this Agreement.

(o) "Indemnifying Party" shall mean the party against whom a claim for indemnification is sought pursuant to the terms of this Agreement.

(p) "Insurance Policies" shall mean all policies of insurance of every kind and nature maintained by the Company with respect to the Business, property and/or personnel.

(q) "Intellectual Property" shall mean all United States and foreign intellectual property (including without limitation, trademarks, trademark applications, service marks, service mark applications, copyrights, copyright applications, trade secrets, know how) owned by the Company and related to, used in, held for use in connection with, or necessary for the conduct, or otherwise material to the Business.

(r) "Inventory" shall mean a collective reference to all goods, merchandise and other personal property (including warehouse receipts and other negotiable and non-negotiable documents of title covering any such property) of the Debtor that are held for sale, Lease or other disposition, or for display or demonstration, or leased or consigned, or that are raw materials, piece goods, work-in-process or materials used or consumed or to be used or consumed in the Debtor's business, whether in transit or in the possession of the Debtor or another, including without limitation all goods covered by purchase orders and contracts with suppliers and all goods billed and held by suppliers and goods located on the premises of any carriers, forwarding proprietary rights, patents, plans, drawings, diagrams, schematics, assembly and display materials relating to any of the foregoing; and all other property constituting "inventory" as such term is defined in the Uniform Commercial Code.

(s) "Permits" shall mean all permits, licenses and governmental authorizations held by the Company in connection with the Business.

(t) "Person" shall mean any natural person, firm, partnership, association, corporation, company, trust, business trust, government authority or other entity.

(u) "Purchase Price" shall have the meaning set forth in Section 2.5(a) hereof.

(v) "Seller Party" shall have the meaning set forth in the introductory paragraph of this Agreement.

(w) "Taxes" shall mean all federal, state, and local tax and information returns required to be filed by the Company.

(x) "Transferred Assets" shall mean those assets described in Schedule 2.1 attached hereto.

(y) "UCC" shall mean the Uniform Commercial Code as in effect as of the date hereof in the state(s) governing the Transferred Assets.

Section 1.2 Rules of Construction. In this Agreement, unless the context otherwise requires: (a) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Agreement; (b) the terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms refer to this Agreement, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of execution of this Agreement; (c) words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa; (d)

references in this Agreement to particular sections of the UCC or any other legislation shall be deemed to refer to redesignations for codification purposes.

## ARTICLE II THE SECURED PARTY SALE

**Section 2.1**      Secured Party Sale. On the terms and subject to the conditions described in this Agreement, the Seller Party shall foreclose upon and sell at a private secured party sale to the Buyer the Transferred Assets, and thereby cause the Transferred Assets to be transferred to the Buyer, and the Buyer shall purchase the Transferred Assets from the Seller Party.

**Section 2.2**      Excluded Assets. Notwithstanding any other provision of this Agreement to the contrary, the Parties acknowledge that the Buyer is not purchasing any assets of the Company other than the Seller Party's interests in the Transferred Assets and that the Transferred Assets shall not include the Excluded Assets. The Seller Party shall retain its Security Interest in the Excluded Assets.

**Section 2.3**      No Assumed Liabilities. Buyer will not assume any liabilities of the Company pursuant to this Agreement and will not have any obligation to pay, perform or discharge any other obligations of the Company whatsoever.

**Section 2.4**      Consent of Company. The Company hereby consents to the foreclosure of the Transferred Assets and all of the terms of the Secured Party Sale contemplated herein.

**Section 2.5**      Purchase Price; Method of Payment; Allocation.

(a)      On the Closing Date, Buyer shall pay to the Seller Party an amount equal to \_\_\_\_\_ (the "Purchase Price") by wire transfer of immediately available funds pursuant to the instructions attached as Schedule 2.5(a)(i) to this Agreement (the "Wire Instructions").

(b)      The Seller Party shall apply the net proceeds received from the Secured Party Sale to reduce the principal balance of the Indebtedness.

**Section 2.6**      Closing. The Closing shall be held on the Closing Date at a location mutually agreed upon by the parties hereto.

**Section 2.7**      Deliveries of Seller Party.

(a)      At the Closing, the Seller Party shall convey, assign and transfer all of its interests in the Transferred Assets to the Buyer through the execution and delivery of a bill of sale for the Transferred Assets in substantially the form attached to this Agreement as Exhibit A (the "Bill of Sale").

(b)      At the Closing, the Seller Party shall deliver to the Buyer the Seller Party certificate specified in Section 8.3(d) herein.

**Section 2.8**      Deliveries of the Company. At or prior to the Closing, the Company shall deliver to the Buyer: (i) a copy of the articles of incorporation for the Company certified by the Secretary of State of the jurisdiction where the Company was organized, the bylaws of the Company certified by its Secretary and the corporate resolutions of the Company reflecting that it has duly authorized the execution, delivery and performance of this Agreement and all agreements executed in connection herewith or pursuant hereto, certified by the Company's Secretary; (ii) the Company certificate specified in Section 8.3(d) herein; and (iii) such other documents as may be reasonably requested by the Buyer in order to evidence the consummation of the transactions contemplated herein.

**Section 2.9**      Deliveries of the Buyer. At the Closing, the Buyer shall deliver to the Seller Party: (i) the Purchase Price; (ii) a copy of the articles of incorporation and bylaws of Buyer certified by the Buyer's Secretary; (iii) the corporate resolutions of Buyer reflecting that the Buyer has duly authorized the execution, delivery and performance

of this Agreement and all agreements executed in connection herewith or pursuant hereto, certified by Buyer's Secretary; (iv) the Buyer's certificate specified in Section 8.2(c) herein; and (v) such other documents as may be reasonably requested by the Seller Party or the Company in order to evidence the consummation of the transactions contemplated herein.

Section 2.10 Additional Acts. At or subsequent to the Closing, the Parties shall execute and deliver any other instruments and take any actions, which may be reasonably required for the implementation of this Agreement and the transactions contemplated hereby.

If consents or approvals of any other parties are required for any conveyances contemplated by this Agreement, then the Seller Party and the Company shall cooperate with the Buyer in obtaining such consents and approvals. This Agreement shall not constitute an agreement for the sale and purchase of any Transferred Asset if such sale and purchase would constitute a default under, or be ineffective by the terms of, such conveyance, and the Seller Party will continue to reasonably cooperate with the Buyer after the Closing to obtain such consent or approval.

Section 2.11 Possession. The Company shall relinquish possession of the Transferred Assets for the purpose of this Agreement and the Buyer shall be entitled to exclusive possession of the Transferred Assets, and shall bear all risk of loss therefor, as of the Closing.

### ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE SELLER PARTY

In order to induce the Buyer to enter into this Agreement and consummate the Secured Party Sale, the Seller Party hereby represents and warrants to the Buyer that the statements contained in this Article III are true, correct and complete.

Section 3.1 Power and Authority. The Seller Party represents that it is an entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. The Seller Party has all requisite corporate power and authority to enter into this Agreement and to perform its obligations under this Agreement. This Agreement and the Secured Party Sale have been duly and validly authorized by all necessary corporate action on the part of the Seller Party. This Agreement has been duly executed and delivered by the Seller Party, has been duly authorized by all necessary corporate action on the part of the Seller Party, and constitutes the legal, valid and binding obligations of the Seller Party, enforceable against it in accordance with its terms.

Section 3.2 No Violation of Law. No provision of this Agreement contravenes or is in conflict with any provision of the any of the Seller Party's organizational documents or bylaws or any existing contract, indenture or agreement to which the Seller Party is a party, or will result in the breach of any agreement, contract, mortgage or other instrument to which the Seller Party is a party or by which the Seller Party is bound and which is material to the Seller Party.

Section 3.3 Brokerage and Finder's Fees. To the Seller Party's knowledge, no broker, agent or other intermediary engaged by the Seller Party has or intends to pursue a claim against the Buyer for a commission or other fee in connection with the Secured Party Sale.

Section 3.4 Validity of the Loan Documents; Defaults. The Company has valid debts to the Seller Party that are represented by the Notes. The Seller Party is the holder of the Notes, and it has not sold, assigned, conveyed or transferred any of its right, title or interest in or to any of such Notes. The Defaults exist and are continuing and have not been waived by the Seller Party. The Seller Party has sold its interests in the Transferred Assets to Buyer in compliance with Section 9-610 of the UCC and has sent a reasonable authenticated notification of disposition with sufficient content within a reasonable time before the disposition in compliance with 9-611(b) and (c) of the UCC to those parties with respect to which Seller Party has received notice of an existing security interest in the Transferred Assets; provided, however, that the Seller Party (a) has not sent notice regarding the secured party sale to First Capital Corporation in with respect to its recorded security interest but has received written confirmation of the fact that the security interest of First Capital Corporation does not constitute a valid lien on the Transferred Assets and (b) makes no representation as to its compliance with the notice provisions contained in 9-611(b) and (c) of the UCC or its compliance with Section 9-610 of

the UCC with respect to the recorded interests of Heller, Walter E. & Company, Inc., a Delaware corporation, as recorded July 2, 1973 with respect to the Dura Flex and Kreisler trademarks, registration numbers 797,785 and 750,165, respectively. Notwithstanding anything to the contrary contained herein, Seller Party makes no warranty that the Purchase Price being paid by the Buyer pursuant to the terms hereof is commercially reasonable.

Section 3.5 No Other Representations and Warranties. Except for the representations and warranties of the Seller Party specifically enumerated in this Agreement, the Seller Party makes no other representations or warranties. The Transferred Assets shall be conveyed "As Is" and "Where Is" as of Closing; provided, however, that notwithstanding anything to the contrary herein, no limitation of liabilities of the Seller Party herein shall be construed to limit the liability of the Company for indemnification of the Buyer for any inaccuracy in the representations or warranties of the Company herein. THE BUYER ACKNOWLEDGES AND AGREES THAT (A) THERE IS NO WARRANTY FROM THE SELLER PARTY RELATING TO TITLE, POSSESSION, QUIET ENJOYMENT, OR THE LIKE IN THIS DISPOSITION; (B) THE SALE OF THE TRANSFERRED ASSETS HEREUNDER IS WITHOUT RECOURSE TO SELLER PARTY AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES OF THE SELLER PARTY AS TO ITEMS, CONDITION, QUANTITY OR ANY OTHER MATTERS WHATSOEVER; (C) SELLER PARTY MAKES NO REPRESENTATION AS TO THE VALUE, IF ANY, OF THE TRANSFERRED ASSETS BEING TRANSFERRED HEREBY; AND SELLER PARTY MAKES NO REPRESENTATION OR WARRANTY CONCERNING THE POSSIBLE INFRINGEMENT OF ANY TRADEMARKS, TRADE NAME OR PATENT ARISING OUT OF THE USE BY THE BUYER OF ANY OF THE TRANSFERRED ASSETS; (D) SELLER PARTY MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, THAT ALL OR A PORTION OF THE TRANSFERRED ASSETS ARE MERCHANTABLE (IN THE SENSE OF AN IMPLIED WARRANTY OF MERCHANTABILITY UNDER THE UCC) OR FIT FOR A PARTICULAR PURPOSE; AND (E) THE SOLE REPRESENTATIONS AND WARRANTIES OF SELLER PARTY REGARDING THE TRANSFERRED ASSETS ARE THOSE SPECIFICALLY PROVIDED IN ARTICLE III OF THIS AGREEMENT. The Seller Party represents, and the Buyer acknowledges, that the Seller Party cannot transfer or convey title to property that the Company does not own or that is not subject to the Security Interest.

#### ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE COMPANY

In order to induce the Seller Party and the Buyer to enter into this Agreement and consummate the Secured Party Sale, the Company hereby represents and warrants to the Seller Party and the Buyer that the statements contained in this Article IV are true, correct and complete to the best knowledge of the Company.

Section 4.1 Validity of the Loan Documents: Default. Each of the Loan Documents is genuine and enforceable in accordance with its respective terms, the Company has valid debts to the Seller Party that are represented by the Notes, the Company is indebted to the Seller Party for the full amount of the Indebtedness and has no offsets or counterclaims against the Seller Party, and the Defaults exist and are continuing and have not been waived by the Seller Party.

Section 4.2 Amount of Secured Indebtedness. The aggregate amount owed to the Seller Party by the Company and secured by the Security Agreement as of the date of this Agreement is more than the Purchase Price.

Section 4.3 Validity of the Security Interest and Compliance with Law.

(a) The Security Interest is a valid security interest in the Transferred Assets and is properly perfected under applicable law.

(b) The Company has good title to the Transferred Assets free and clear of all liens and encumbrances other than the liens of the Seller Party, any other lien disclosed in the public record and those of the applicable local governments for ad valorem taxes.

(c) The Seller Party has fully complied with all of the applicable provisions of all of the Loan Documents, including without limitation the Security Agreement, and, to the best of the Company's knowledge, of the UCC, including without limitation the applicable notice provisions and the provisions governing secured party private



sales requiring among other things that every aspect of the Secured Party Sale be conducted in a commercially reasonable manner (as to method, manner, time, place and terms).

(d) The Company acknowledges receipt of notice of the Defaults and of the time and place of the private sale described herein, agrees that such notice is reasonable and waives any further notice.

(e) At the Closing, the Seller Party shall have transferred to the Buyer and the Buyer will become the lawful owner of, the Transferred Assets.

Section 4.4 Organizational Status. The Company is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was organized and has the full power and authority to enter into and to perform this agreement. The Company has all requisite power and authority to own or lease and operate its respective properties and to carry on its respective business as presently conducted. The Company is duly qualified or licensed to do business and is in good standing as a foreign entity in each jurisdiction in which the ownership or leasing of the Transferred Assets or the conduct of the Business requires such qualification, except where the failure to be so qualified or licensed would not have a material adverse effect on the Business.

Section 4.5 Authorization. The Company has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. The execution, delivery and performance of this Agreement by the Company has been duly authorized by all necessary corporate action and this Agreement constitutes a valid and binding obligation of the Company enforceable against it in accordance with its terms. Neither the execution and delivery of this Agreement nor, except as specifically set forth in this Agreement, the consummation of the transactions contemplated hereby requires the approval or consent of any third party.

Section 4.6 Existing Receivables. The Company has not entered into any arrangement with any Person with respect to collection, remittance or other payment of the Existing Receivables, except to the extent set forth herein.

## ARTICLE V REPRESENTATIONS AND WARRANTIES OF THE BUYER

In order to induce the Seller Party and the Company to enter into this Agreement and consummate the Secured Party Sale, the Buyer hereby represents and warrants to the Seller Party and the Company that the statements contained in this Article V are true, correct and complete as to the Buyer.

Section 5.1 Organization and Standing. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of New York, has all necessary corporate power and authority to own, lease, use and operate its properties and to conduct its business as and where now owned, leased, used, operated and conducted. Buyer has heretofore provided to the Seller Party a true and correct copy of the articles of incorporation and bylaws of the Buyer, as amended and as in effect on the date hereof.

Section 5.2 Power and Authority. The Buyer has all requisite corporate power and authority to enter into this Agreement and to perform its obligations under this Agreement. This Agreement and the Secured Party Sale have been duly and validly authorized by all necessary corporate action on the part of the Buyer. This Agreement has been duly executed and delivered by the Buyer, has been duly authorized by all necessary corporate action on the part of the Buyer, and constitutes the legal, valid and binding obligations of the Buyer, enforceable against it in accordance with its terms.

Section 5.3 Brokerage and Finder's Fees. Neither the Buyer nor any of its subsidiaries, shareholders, directors, officers or employees has incurred, or will incur, any brokerage, finder's or similar fee in connection with the Secured Party Sale. To the Buyer's knowledge, no broker, agent or other intermediary engaged by the Buyer has or intends to pursue a claim against the Seller Party or the Company for a commission or other fee in connection with the Secured Party Sale.

Section 5.4 Complete Disclosure. No representation or warranty by the Buyer in this Agreement contains any untrue statement of a material fact or omits a material fact necessary to make the statements contained herein or therein not misleading.

**ARTICLE VI  
FURTHER AGREEMENTS OF THE PARTIES**

Section 6.1 Mutual Covenants.

(a) General. Each Party shall use all commercially reasonable efforts to take all actions and do all things necessary, proper or advisable to consummate the Secured Party Sale, including without limitation using all commercially reasonable efforts to cause the obligations set forth in this Agreement for which such Party is responsible to be satisfied as soon as reasonably practicable and to prepare, execute, acknowledge or verify, deliver, and file such additional documents, and take or cause to be taken such additional actions as the other Party may reasonably request to effectuate the purposes of this Agreement.

(b) Governmental Matters. Each Party shall use all reasonable efforts to take any action that may be necessary, proper or advisable in connection with any notices to, filings with, and authorizations, consents and approvals of, any court, administrative agency or commission, or other governmental authority or instrumentality, that it may be required to give, make or obtain.

Section 6.2 Covenants and Agreements Regarding Existing Receivables.

(a) Collection of Existing Receivables. The Buyer shall, following the Closing Date, act as an agent of the Company in assisting the Company with the collection of the Existing Receivables and shall use its reasonable commercial efforts to collect amounts due with respect to the Existing Receivables (which efforts shall include, without limitation, reasonable commercial efforts by Buyer to deliver invoices to each of the applicable account parties along with instructions to remit payment of such invoice to the Buyer's payment address and to identify the specific invoice being paid). Buyer shall, upon receipt of any payments with respect to the Existing Receivables, pay to Seller Party the entire amount of such payments in accordance with the terms of Section 6.2(c) below. The Buyer shall, following the Closing Date, use reasonable commercial efforts to notify (or cause to be notified) all account parties with respect to the Existing Receivables regarding the new payment address/instructions applicable to such Existing Receivables, if any.

(b) Application of Payments. Any amounts collected by the Buyer from any obligor who owes amounts for both Existing Receivables and receivables of the Buyer for merchandise shipped on or after the Closing Date shall be applied as follows:

- (i) to the extent such obligor expressly specifies in writing an invoice to which such payment is to be applied, to such invoice; and
- (ii) to the extent that such obligor does not specify an invoice to which such payment is to be applied, first to the payment of receivables owed to the Buyer for merchandise shipped on or after the Closing Date and then, to the extent any amounts remain, to the payment of the Existing Receivables.

(c) Procedures. The Buyer shall pay to the Seller Party any proceeds collected with respect to the Existing Receivables within thirty (30) days of receipt thereof. Such amount shall be paid by wire transfer of immediately available funds in accordance with the Wire Instructions.

(d) Exclusive Collection Agent. Seller Party and Company hereby agree that the Buyer shall, subject to the terms of this Section 6.2(d), act as the exclusive agent of the Company in the collection of the Existing Receivables for the benefit of the Seller Party (as the secured party with respect to such receivables). To the extent the Seller Party, at any time following the Closing Date, determines, in its discretion, that the Buyer's efforts to collect the Existing Receivables (i) do not constitute reasonable commercial efforts or (ii) are not acceptable to the Seller Party, the

Seller Party shall have the right, upon thirty (30) days prior notice to the Buyer, to terminate the Buyer's role as collection agent for the Existing Receivables and to act as or to engage a third party to act as collection agent for such receivables. To the extent Buyer receives any such notice from the Seller Party, Buyer shall, promptly and, in any case, not later than fifteen (15) days following such receipt, deliver to Seller Party all materials and records in its possession concerning the Existing Receivables.

(e) Acknowledgements and Consents. The Company hereby consents to the Buyer's collection of the Existing Receivables and to the payment of the proceeds thereof to the Seller Party and agrees to execute any consents or other agreements required for the Buyer's collection of the Existing Receivables and delivery of the proceeds thereof to the Seller Party. Each of the Parties agrees that neither the Company nor the Selling Party is transferring to the Buyer the Existing Receivables pursuant to this Agreement, nor are they receiving any compensation therefor. The Buyer hereby acknowledges that it has and will receive adequate compensation for acting as the collection agent under this Section 6.2 as a result of its opportunity to manage and maintain relationships with certain of the Existing Receivables account parties without intervention or interference from third parties.

Section 6.3 Covenant of Buyer and Company. The Company and the Buyer will use their best efforts, and will cooperate with one another, to secure all necessary consents, approvals, authorizations and exemptions from governmental agencies and other third parties and to obtain the satisfaction of the conditions specified in this Agreement, as shall be required in order to enable the Company and the Buyer to effect the transactions contemplated by this Agreement.

## ARTICLE VII OTHER POST-CLOSING COVENANTS

The Company and the Buyer agree as follows with respect to the period following the Closing:

Section 7.1 Confidentiality. Each of the Company and the Seller Party shall keep in strict secrecy and confidence any and all Confidential Information of which it knows of or to which it has access that has not been publicly disclosed and is not a matter of common knowledge with respect to the Business. Neither the Company nor the Seller Party shall, without the Buyer's prior written consent, disclose any such Confidential Information to any third person or entity (other than their respective representatives, attorneys, accountants and agents) except as required by law or a valid judicial order or other lawful order of a governmental authority.

Section 7.2 Injunctive Relief. Each of the Company and the Seller Party agrees that the Buyer would be irreparably damaged by reason of any violation of this Article 7, and that any remedy at law for breach of such provisions would be inadequate. Therefore, the Buyer shall be entitled to seek and obtain injunctive or other equitable relief (including, but not limited to, a temporary restraining order, a temporary injunction or a permanent injunction) against the applicable offending Party, for breach or threatened breach of such provisions and without the necessity of proving actual monetary loss. It is expressly understood by the Company and the Seller Party that this injunctive or other equitable relief shall not be the Buyer's exclusive remedy for any breach of this covenant and the Buyer shall be entitled to seek any other relief or remedy that may be available by contract, statute, law or otherwise for any breach hereof. It is agreed that the Buyer shall also be entitled to recover any and all attorneys' fees and expenses in any successful action or suit against the undersigned relating to any such breach.

## ARTICLE VIII CONDITIONS

Section 8.1 Mutual Conditions. The obligations of the Parties to consummate the Secured Party Sale shall be subject to fulfillment of the following conditions:

(a) No Insolvency Proceedings. No bankruptcy, receivership or other insolvency-related proceeding shall have been commenced by or against the Company or with respect to any of the Transferred Assets.

(b) No Adverse Proceeding. No temporary restraining order, preliminary or permanent injunction or other order or decree which prevents the consummation of the Secured Party Sale shall have been issued and remain in effect, and no statute, rule or regulation shall have been enacted by any governmental authority which prevents the consummation of the Secured Party Sale.

(c) Governmental Approvals. Any governmental or other approvals or reviews of this Agreement or the Secured Party Sale required under any applicable law shall have been received; provided that the Parties agree that the transfer of alcoholic beverage permits held by the Company (to the extent it holds such permits) or used by the Company to the Buyer shall not be a condition to this Agreement.

Section 8.2 Conditions to Obligations of the Seller Party. The obligation of the Seller Party to consummate the Secured Party Sale shall be subject to the fulfillment of the following conditions unless waived by the Seller Party:

(a) Representations and Warranties. Each of the representations and warranties of the Company in Article IV and of the Buyer set forth in Article V shall be true and correct in all material respects.

(b) Performance of Agreement. The Buyer shall have performed in all material respects each obligation and agreement and shall have complied in all material respects with each covenant to be performed and complied with by it hereunder at or prior to the Closing.

(c) Certificate. The Buyer shall have furnished the Seller Party with a certificate, dated as of the Closing Date and signed on behalf of the Buyer by its Chairman, President or any Vice President to the effect that the conditions set forth in Sections 8.2(a) and (b) have been satisfied.

Section 8.3 Conditions to Obligations of the Buyer. The obligation of the Buyer to consummate the Secured Party Sale shall be subject to the fulfillment of the following conditions unless waived by the Buyers.

(a) Representations and Warranties of the Seller Party. Each of the representations and warranties of the Seller Party set forth in Article III shall be true and correct in all material respects.

(b) Agreements and Covenants of the Company. The Company shall have complied with all of its agreements and covenants contained herein required to be complied with at or prior to the Closing Date, and all the representations and warranties of the Company contained herein shall be true in all material respects to best of its knowledge on and as of the Closing Date with the same effect as though made on and as of the Closing Date.

(c) Performance of Agreement. The Seller Party shall have performed in all material respects each obligation and agreement and shall have complied in all material respects with each covenant to be performed and complied with by it hereunder at or prior to the Closing, including without limitation by delivering the Bill of Sale to the Buyer.

(d) Certificates. The Seller Party and the Company shall have furnished the Buyer with a certificate dated the date hereof and signed on their behalf by an authorized officer of each of such parties to the effect that the conditions set forth in Section 8.3(a), as to the Seller Party, and the conditions set forth in Section 8.3(b), as to the Company, have been satisfied.

(e) Required Actions. All action (including notifications and filings) that shall be required to be taken by the Company in order to consummate the transactions contemplated hereby shall have been taken and all consents, approvals, authorizations and exemptions from third parties that shall be required in order to enable the Company to consummate the transactions contemplated hereby shall have been duly obtained.

(f) Receipt of Documents. The Buyer shall have received from the Seller Party the Bill of Sale required to be delivered at Closing as provided in Section 2.7 herein, and shall have received from the Company all of the documents and items required to be delivered at Closing as provided in Section 2.8 herein.

(g) Other Deliveries. The Buyer shall have received from the Company the deliveries referred to in Article VI.

Section 8.4 Simultaneous Occurrence of Sale and Purchase. The execution and delivery of all documents, the making of all covenants, representations and warranties, and the taking of all actions required by this Agreement by any Party on or before the Closing Date shall be deemed to have occurred simultaneously on the Closing Date.

## ARTICLE IX MISCELLANEOUS

Section 9.1 Intentionally Omitted.

Section 9.2 Notices. All notices and other communications under this Agreement to a Party shall be in writing and shall be deemed given when delivered personally, faxed (which is confirmed) to that Party at the facsimile number for that Party set forth below, mailed by certified mail (return receipt requested) to that Party at the address for that Party (or at such other address for such Party as such Party shall have specified in notice to the other Party), or delivered to Federal Express, UPS, or any similar express delivery service for delivery to that Party at that address:

If to the Buyer:

Genal Strap, Inc. d/b/a Vogue Strap, Inc.  
31-00 47<sup>th</sup> Avenue  
Long Island City, New York 11101  
Attention: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

With a copy to:

Harrick Feinstein LLP  
2 Park Avenue  
New York, New York 10016  
Attention: Mark A. Goldsmith, Esq.  
Facsimile: (212) 592-1500

If to the Seller Party:

Banc of America Strategic Solutions, Inc.  
FL1-007-17-01  
100 North Tampa Street  
Suite 1700  
Tampa, FL 33602-5145  
Attention: Lisa Marshall  
Fax No. (704) 386-5856

With a copy to:

Moore & Van Allen PLLC  
100 North Tryon Street, Suite 4700  
Charlotte, NC 28202-4003  
Attention: Keith Mrochek, Esq.  
Facsimile No.: (704) 331-3522

If to the Company:

Regal Industries, Inc.  
606-622 Spring Garden Street  
Philadelphia, PA 19123  
Attention: David Parsons  
Facsimile: (914) 777-2617

Section 9.3 Non-Waiver. No failure by a Party to insist upon strict compliance with any term or provision of this Agreement, to exercise any option, to enforce any right, or to seek any remedy upon any default of another Party shall affect, or constitute a waiver of, that Party's right to insist upon such strict compliance, exercise that option, enforce that right or seek that remedy with respect to that default or any prior, contemporaneous, or subsequent default. No custom or practice of the Parties at variance with any provision of this Agreement shall affect or constitute a waiver of, a Party's right to demand strict compliance with the provisions of this Agreement.

Section 9.4 Genders and Numbers. Where permitted by the context, each pronoun used in this Agreement includes the same pronoun in other genders and numbers, and each noun used in this Agreement includes the same noun in other numbers.

Section 9.5 References; Headings. Any reference to an article, section, exhibit or schedule shall be to an article or section of, or exhibit or schedule to, this Agreement unless otherwise expressly provided. The headings of the various articles and sections of this Agreement are not part of the context of this Agreement, are merely labels to assist in locating such articles and sections, and shall be ignored in construing this Agreement.

Section 9.6 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telecopy shall be effective as an original and shall constitute a representation that an executed original shall be delivered.

Section 9.7 Entire Agreement. This Agreement, including all exhibits, schedules, and other documents referred to in this Agreement (the "Incorporated Documents", all of which are hereby incorporated by reference) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter of this Agreement. All obligations of a Party under any document related to this Agreement shall constitute an obligation of such Party under this Agreement, and any capitalized terms used in any such related document which are not otherwise defined therein shall have the respective meanings given such terms in this Agreement.

Section 9.8 No Third Party Beneficiaries. Nothing contained in this Agreement, expressed or implied, is intended or shall be construed to confer upon or give to any person, firm, corporation or legal entity, other than the Parties, any rights, remedies or other benefits under or by reason of this Agreement.

Section 9.9 Litigation. If any legal action is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorney fees, paralegal fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled. Any such legal action shall be brought in courts of competent jurisdiction in Charlotte, North Carolina.

Section 9.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of law.

Section 9.11 Successors; Assignment. This Agreement is for the benefit of and binding upon the parties hereto, their respective successors and, where applicable, assigns. No Party may assign this Agreement or any of its rights, interests or obligations hereunder without the prior approval of the other Party; provided, however, that the Buyer shall be entitled to assign its right to purchase the Transferred Assets, in whole or in part, to an Affiliate of the Buyer.

Section 9.12 Remedies. All rights and remedies of each Party under this Agreement shall be cumulative and in addition to all other rights and remedies which may be available to that Party from time to time, whether under any other agreement, at law, or in equity.

Section 9.13 Equitable Remedies. The Seller Party and the Company acknowledge and agree that the Buyer will not have an adequate remedy at law in the event of any breach by the Seller Party or the Company of this Agreement and that, therefore, the Buyer shall be entitled, in addition to any other remedies which may be available to it, to injunctive and/or other equitable relief to prevent or remedy a breach, with the posting of any bond in connection therewith being hereby waived.

Section 9.14 Expenses. Except as otherwise specifically provided in this Agreement, each Party shall bear its respective legal, accounting, and other costs and expenses associated with the Secured Party Sale (including without limitation the costs of any brokers and financial advisors).

Section 9.15 Severability. With respect to any provision of this Agreement finally determined by a court of competent jurisdiction to be unenforceable, such court shall have jurisdiction to reform such provision so that it is enforceable to the maximum extent permitted by applicable law, and the Parties shall abide by such court's determination. In the event that any provision of this Agreement cannot be reformed, such provision shall be deemed to be severed from this Agreement, but every other provision of this Agreement shall remain in full force and effect.

Section 9.16 Further Assurances. Each Party shall, in good faith, execute and deliver additional documents and take such additional actions, in either case which may be reasonably requested by another Party, whether before or after the Closing, to effectuate the purposes of this Agreement.

Section 9.17 Time of the Essence. Time shall be of the essence in this Agreement, and if any Party shall fail to perform any of its undertakings within the time stipulated for such performance, the other Parties may elect, without prejudice to their other remedies, if any, to terminate this Agreement.

Section 9.18 Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

Section 9.19 Several Obligations. Notwithstanding any other provision of this Agreement to the contrary, the obligations of the Seller Party under this Agreement are several (and not joint and several) and each Seller Party is responsible only for the breaches of representations, warranties, covenants and agreements of such Seller Party (and not those of any other Seller Party) set forth therein, provided that nothing herein shall be deemed to modify the terms and conditions of the Credit Agreement.

[remainder of page intentionally left blank—signature pages to follow]

Secured Party Sale Agreement  
BASS/Regal Industries/Genal Strap  
Dated as of February 6, 2002

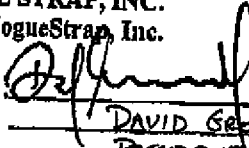
Each of the undersigned confirms that it has read and fully understands this Agreement and the exhibits attached hereto.

IN WITNESS WHEREOF, the parties hereto have authorized this agreement to be executed on their behalf.

**BUYER:**

GENAL STRAP, INC.  
d/b/a VogueStrap, Inc.

By:  
Print:  
Title:

  
\_\_\_\_\_  
DAVID GREENWALD  
\_\_\_\_\_  
PRESIDENT  
\_\_\_\_\_



Secured Party Sale Agreement  
BASS/Regal Industries/Genal Strap  
Dated as of February 8, 2002

**COMPANY:**

**REGAL INDUSTRIES, INC.**  
a Pennsylvania corporation

By:

*David M. Parsons*

Name:

David M. Parsons

Title:

Corporate Secretary

TRADEMARK

REEL: 003792 FRAME: 0359

Secured Party Sale Agreement  
BASS/Regal Industries/Genal Strap  
Dated as of January 31, 2002

**SELLER PARTY:**

Banc of America Strategic Solutions, Inc.

By: Lisa Marshall  
Name: LISA MARSHALL  
Title: SENIOR VICE PRES.

**COMPANY CLOSING CERTIFICATE**  
**PURSUANT TO SECTION 8.3(d) OF THE SECURED PARTY SALE AGREEMENT**

The undersigned hereby certifies to Genal Strap, Inc., d/b/a Vogue Strap, a New York corporation (the "Buyer"), on behalf of Regal Industries, Inc., a Pennsylvania corporation (formerly known as RII Acquisition Corp.) (the "Company"), that, as of the date of this certificate, each of the representations and warranties of the Company set forth in Article IV of the Secured Party Sale Agreement dated the same date as this certificate between the Buyer and the Company is, to his/her best knowledge, true and correct in all material respects.

February 8, 2002

**COMPANY:**

**REGAL INDUSTRIES, INC.**  
a Pennsylvania corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*David M. Parsons*

David M. Parsons

Corporate Secretary