

11-24-1999

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attached original documents or copy thereof.

1. Name of conveying party(ies):

Ferdinand Soumleitner
Susan Elizabeth Zimmer

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

2. Name and address of receiving party(ies):

Name: Community First Bank

Internal Address: _____

Street Address: 3685 Blue Ridge Blvd.

City: Walhalla State: SC ZIP: 29691

Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

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

Execution Date: 11-19-99

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

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

B. Patent No.(s)

5,695,279

Additional numbers attached? Yes No

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

Name: Andrew J. White, Jr., Esquire

Internal Address: _____

Street Address: P. O. Box 2048

75 Beattie Place, 11th Fl.

City: Greenville State: SC ZIP: 29602

6. Total number of applications and patents involved:

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

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

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

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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

Andrew J. White, Jr.

Name of Person Signing

Signature

Nov 12, 1999

Date

Total number of pages comprising cover sheet:

1

THIRD PARTY COLLATERAL AGREEMENT

November 9, 1999

BORROWER: SF Designs, LLC

GRANTING GUARANTORS: Ferdinand Sonnleitner and Susan Sonnleitner (f.k.a. Susan Elizabeth Zimmer)

LENDER: Community First Bank.

The undersigned parties have entered into this Third Party Collateral Agreement ("Agreement") this 9th day of November, 1999.

WHEREAS, the Borrower has obtained a loan (the "Loan") from the Lender as evidenced by the Borrower's promissory note to Lender dated November 9, 1999 in the original principal amount of \$250,000.00, (the "Note"), and

WHEREAS, the Lender is unwilling to make the Loan unless it receives from the Granting Guarantors the accommodations set forth below, and

WHEREAS, the Guarantors have executed and delivered to the Lender their Guaranty dated November 5, 1999, (the "Guaranty") with respect to the "Indebtedness" as such term is described in the Guaranty the ("Indebtedness")

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, and in order to induce Lender to make the Loan, and in order to secure the due and punctual payment of all Guarantors' obligations under the Guaranty, including without limitation payment of the Indebtedness, Guarantors hereby absolutely and unconditionally grant the Lender its successors and assigns a first priority security interest in the following described property (the "Collateral"): all rights and ownership of Guarantors in and to United States Patent No. 5,695,279 and all inventions relating thereto. Additionally, the Collateral shall include any license or license fees now or hereafter generated by or under said patent and all accounts and general intangibles relating to said patent and now or hereafter existing.

In order to implement the foregoing and as additional inducements to the Lender, Guarantors further covenans and agree:

1. Any of the following shall constitute a default ("Default"): (1) an event of default or a default occurring or arising under the Guaranty or the Note, or (2) Guarantors fail to timely perform their obligations under this Agreement or violate any covenant or promise herein, or (3) if any representation or statement made by Guarantors in this Agreement is untrue or later becomes untrue. In the event of a Default, the Lender thereafter may foreclose its security interest in the Collateral, or otherwise exercise its rights in the Collateral in accordance with the terms and conditions of this Agreement and/or applicable law.

2. This Agreement is and shall remain an unconditional and continuing obligation of Guarantors with respect to the rights granted the Lender herein and shall remain in full force and effect

irrespective of any interruption(s) in the business or other dealings and relations of the Borrower with the Lender and shall apply to the due and punctual payment of all the Indebtedness. Guarantors hereby expressly waive any right to require the Lender to bring any action against the Borrower or any other person(s) or to require that resort be had to any other security or collateral for the Indebtedness or to any balance(s) of any deposit or other account(s) or debt(s) or credit(s) on the books of Lender in favor of the Borrower or any other person(s). The Lender shall have the right to enforce its rights in the Collateral without first bringing an action against the Borrower or Guarantors or otherwise seeking to enforce the rights of the Lender in any other collateral or property securing the Indebtedness.

3. Guarantors at their cost shall take all actions necessary to preserve and service the above described patent and to defend the same from all infringements and adverse claims. Guarantors promptly shall notify the Lender if any such infringements or adverse claims arise.

4. Guarantors represent to the Lender that (1) he is the sole and exclusive owner of the Collateral, (2) that the Collateral has not been assigned or licensed in whole or part, and (3) that the Collateral is free and clear of all liens, claims and encumbrances excepting only the lien created by this Agreement. Further, Guarantors covenant that they shall not license the Patent without the written consent of the Lender.

5. This Agreement constitutes the entire agreement between the parties in regard to the matters contained herein, and no waivers or modifications shall be valid unless they are reduced to writing, duly executed by the party to be charged thereby, and expressly approved in writing by an officer of the Lender actually involved in the transactions being guaranteed hereby.

6. All monies available to and/or received by the Lender for application toward payment of (or reduction of) the Indebtedness may be applied by the Lender in such manner, and apportioned in such amount(s) and at such time(s), as Lender, in its sole discretion, may deem suitable or desirable.

7. Guarantors agree that liability hereunder shall not be diminished by any failure on the part of the Lender to perfect (by filing, recording or otherwise) any security interest(s) it may have in any property securing the Indebtedness.

8. Guarantors further hereby consent and agree that the Lender may at any time, or from time to time, in its sole discretion: (i) extend or change the time of payment, and/or the manner, place or terms of payment of any or all of the Indebtedness; (ii) exchange, release and/or surrender all or any of the Collateral, or any part(s) thereof, by whomsoever deposited, which is or may hereafter be held by it in connection with all or any of the Indebtedness and/or any liabilities or obligations of Guarantors hereunder.

9. This Agreement shall be binding upon Guarantors, and their heirs, executors, administrators, successors and assigns of the Guarantors, and it shall inure to the benefit of, and be enforceable by, the Lender and its successors, transferees and assigns. It further shall be deemed to have been made under and shall be governed by the laws of the State of South Carolina in all respects, including matters of construction, validity and performance.

10. No waiver by the Lender of any default(s) by Guarantors or the Borrower shall operate as a waiver of any other default or of the same default on a future occasion.

11. Guarantors hereby waive: (i) notice of acceptance of this Agreement; (ii) notice(s) of extensions of credit and/or continuations of credit extensions to the Borrower by the Lender; (iii) notice(s) of entering into and engaging in business transactions and/or contractual relationships and any other

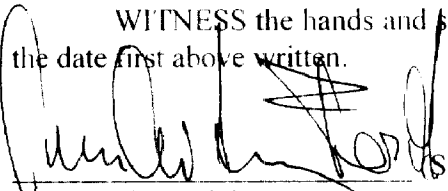
dealings between the Borrower and the Lender; (iv) presentment and/or demand for payment of any of the Indebtedness, (v) protest or notice of dishonor or default to Guarantors or to any other person with respect to any of the Indebtedness; and (vi) any demand for payment under this Agreement.

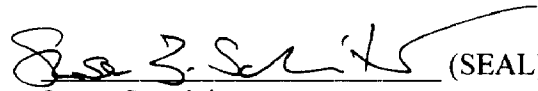
12. Guarantors acknowledge and represent that they have relied upon their own due diligence in making their own independent appraisal of the Borrower and its business, affairs and financial condition, will continue to be responsible for making their own independent appraisal of such matters and has not relied upon and will not hereafter rely upon the Lender for information for such appraisal or other assessment or review and, further, will not rely upon any such information which may now or hereafter be prepared by or for the Lender for any appraisals regarding the Borrower.

13. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections contained in this Agreement shall not affect the validity or enforceability of the remaining portions of this agreement. or any part thereof.

14. If the Lender is required at any time pursuant to any bankruptcy, insolvency, liquidation or reorganization law to return any portion of the payments made by the Borrower or any other person or entity with respect to the Indebtedness, Guarantors shall, on demand of Lender, and if at that time this Agreement and/or the Guaranty shall have been cancelled or otherwise shall have terminated, Guarantors forthwith shall execute a new Third Party Collateral Assignment and Guaranty and shall otherwise restore the Lender and its security interest in the Collateral to such condition of perfection and existence as obtained prior to such cancellation or termination.

WITNESS the hands and seals of the undersigned Ferdinand Sonnleitner and Susan Sonnleitner on the date first above written.


 (SEAL)
Ferdinand Sonnleitner

 (SEAL)
Susan Sonnleitner

State of South Carolina
County of OCONEE


Now appearing before me the undersigned Ferdinand Sonnleitner and Susan Sonnleitner who, under oath, states that they have executed and delivered the above Third Party Collateral Agreement and that the same is their free act and deed.

March 18, 2004
My commission expires:

Seal:


SF Designs, LLC hereby consents to the above grant of lien to the Lender and agrees that any right, title or interest (including without limitation license rights) it may now or hereafter have in the Collateral shall be subordinate to the rights of the Lender as granted herein.

SF Designs, LLC

By:  (SEAL)
Title: Vice President