

UCC-1 Form

FILER INFORMATION

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SEND ACKNOWLEDGEMENT TO

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City, State Zip Country: **TAUNTON, MA 02780 USA**

DEBTOR INFORMATION

Org. Name: **DON-MAR CREATIONS, INC.**

Mailing Address: **862 WATERMAN AVENUE**

City, State Zip Country: **EAST PROVIDENCE, RI 02914 USA**

SECURED PARTY INFORMATION

Org. Name: **ST. ANNE'S CREDIT UNION OF FALL RIVER, MASS.**

Mailing Address: **286 OLIVER STREET**

City, State Zip Country: **FALL RIVER, MA 02724 USA**

TRANSACTION TYPE: STANDARD

CUSTOMER REFERENCE: 03-1790B

COLLATERAL

FIRST POSITION SECURITY INTEREST IN ALL CORPORATE ASSETS, WHETHER NOW OWNED OR HEREINAFTER ACQUIRED, INCLUDING BUT NOT LIMITED TO THE COLLATERAL SET FORTH IN EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE.

"Collateral" shall mean all assets and property of the Debtor of every kind including, but not limited to:

1.1(a) Receivables, Inventory, Equipment, Patents, Trademarks and Copyrights (all as hereinafter defined);

1.1(b) All ledger sheets, files, records, documents and instruments (including, without limitation, computer programs, tapes and related electronic data processing software) evidencing an interest in or relating to the other Collateral; and

1.1(c) All instruments, documents, securities, cash, property and the proceeds of any of the foregoing, now owned or hereafter acquired by Debtor or in which Debtor now has or may hereafter acquire an interest, which now or hereafter are at any time in possession or control of Secured Party or in transit by mail or carrier to or from Secured Party or in the possession of any third party acting on behalf of Secured Party, without regard to whether Secured Party received the same in pledge, for safekeeping, as agent for collection or transmission or otherwise or whether Secured Party had conditionally released the same; and

1.1(d) All claims by Debtor against third parties for infringement of the Patents, Trademarks and/or Copyrights; and

1.1(e) Any and all municipal, state or federal licenses and permits on which Debtor now is or may hereafter be named or in which Debtor now has or may hereafter have an interest.

1.2 "Equipment" shall mean all machinery and equipment and furniture and fixtures of Debtor including automotive equipment now owned or hereafter acquired by Debtor, and used or acquired for use in the business of Debtor, together with all accessions thereto and all substitutions and replacements thereof and parts therefore; all cash and non-cash proceeds.

1.3 "Event of Default" shall mean the occurrence of an Event of Default under the Loan Agreement (as hereinafter defined).

1.4 "Inventory" shall mean all goods, merchandise and other personal property now owned or hereafter acquired by Debtor which are held for sale or lease, or are furnished or to be furnished under any contract of service or are raw materials, work-in-process, supplies or materials used or consumed in Debtor's business, whether now owned or hereafter acquired by the Debtor or in which the Debtor now or hereafter acquires an interest; and all products thereof, and all substitutions, replacements, additions or accessions therefore and thereto; all cash or non-cash proceeds of all of the foregoing, including insurance proceeds.

1.5 "Loan Agreement" shall mean that certain Loan Agreement by and between debtor and Secured Party of even date herewith, as the same may be amended and/or restated from time to time.

1.6 "Obligations" shall mean any and all indebtedness, obligations and liabilities of Debtor to Secured Party (and any affiliate of St. Anne's Credit Union of Fall River, MASS.) of every kind and description, direct or indirect, secured or unsecured, joint or several, absolute or contingent, due or to become due, whether for payment or performance, now existing or hereafter arising, regardless of how the same arise or by what instrument, agreement or book account they may be evidenced or whether evidenced by any agreement, instrument or book account; including, without limitation, the Loan (as defined in the Loan Agreement), all loans (including any loan by renewal or extension), all indebtedness, all undertakings to take or refrain from taking any action, all obligation of the Debtor, actual or

contingent, in respect of contracts with the Secured Party related to interest rate hedge products, or letters of credit or banker's acceptances issued by the Secured Party for the account of or guaranteed by the Debtor, all indebtedness, liabilities or obligations owing from Debtor to others which Secured Party may have obtained by purchase, negotiation, discount, assignment or otherwise or to Secured Party under any foreign exchange contracts now existing or hereafter arising, all interest, taxes, fees, charges, expenses and attorneys' fees chargeable to Debtor or incurred by Secured Party in connection with any transaction between Debtor and Secured Party.

1.7 "Patents" shall mean (a) any patents or patent rights in which Debtor now Has or may hereafter acquire an interest, and all right, title and interest of Debtor therein and thereto, and all applications, registrations and recordings thereof; and (b) all reissues, extensions or renewals thereof; and (c) all goodwill associated therewith.

1.8 "Receivables" shall mean all accounts, contract rights, instruments, documents, chattel paper, general intangibles (including, without limitation, choses in action, tax refunds, insurance proceeds and the name and any trade names of Debtor); any other obligations or indebtedness owed to Debtor from whatever source arising; all rights of Debtor to receive any payments in money or kind; all guarantees of Receivables and security therefore; all cash or non cash proceeds of all of the foregoing; all of the right, title and interest of Debtor in and with respect to the goods, services or other property which gave rise to or which secure any of the Receivables and insurance policies and proceeds relating thereto, and all of the rights of Debtor as an unpaid seller of goods or services, including, without limitation, the rights of stoppage in transit, replevin, reclamation and resale, and all of the foregoing, whether now existing or hereafter created or acquired.

1.9 "Trademarks" shall mean any trademarks and trade names in which Debtor now has or may hereafter acquire an interest, and all right, title and interest of Debtor therein and thereto, and all applications, registrations and recordings thereof; all reissues, extensions or renewals thereof; all goodwill associated therewith; and all licenses thereof and the royalties associated therewith.

1.10 "Copyrights" shall mean (a) all copyrights in which Debtor now has or may hereafter acquire an interest, and all right, title and interest of Debtor therein and thereto, and all applications, registrations and recordings thereof; and (b) all reissues, extensions or renewals thereof; and (c) all goodwill associated therewith; and (d) all licenses thereof and the royalties associated therewith.

To the extent not defined in this Section 1, unless the context otherwise requires, all other terms contained in this Agreement shall have the meanings attributed to them by Article 9 of the Uniform Commercial Code in force in the STATE OF RHODE ISLAND on the Date of Agreement, to the extent the same are used or defined therein.