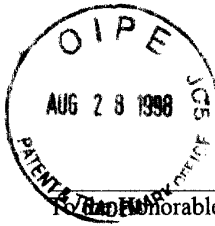


09-08-1998

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TRADEMARKS

MRD 8-28-98

Honorable Commissioner of Patents and Trademarks:

Please record the attached original documents or copy thereof.

1. Name of conveying party:

BRISTOL IP COMPANY

2. Name and address of receiving party:

Bankers Trust Company, as Agent
Bankers Trust Company
130 Liberty Street
New York, NY 10006

3. Nature of conveyance:

Trademark Security Agreement

Execution Date: July 28, 1998

4. Registration numbers:

Trademark	Registration Date	Registration No.	Application #	Filing Date
Bristol	06/22/96	1982728	74-719674	08/24/95
Bristol Suites	07/02/96	1984314	74-719673	08/24/95

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

Christina Chang
Legal Assistant
O'Melveny & Myers LLP
400 South Hope Street
Los Angeles, CA 90017

6. Total number of applications and registrations involved: two (2)

7. Total fee: \$65.00

8. Deposit Account Number:
N/A

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.

Christina WH Chang
Name of Person Signing

Handwritten Signature
Signature

August 27, 1998
Date

TOTAL NUMBER OF PAGES COMPRISING COVER SHEET: 21

09/04/1998 BNGUYEN 00000303 74719674
01 FC:481 40.00 OP
02 FC:482 25.00 OP

LA1:816446

TRADEMARK
REEL: 1778 FRAME: 0264

**SCHEDULE A
TO
TRADEMARK SECURITY AGREEMENT**

Registered Owner	United States Trademark Description	Registration Number	Registration Date
Bristol IP Company	"Bristol"	Federal Service Mark Registration PTO #1,982,728	06/25/96
Bristol IP Company	"Bristol Suites"	Federal Service Mark Registration PTO #1,984,314	07/02/96
Bristol IP Company	"Harvey"	federal common law rights	
Bristol IP Company	"Harvey Hotels"	federal common law rights	
Bristol IP Company	"Harvey Suites"	federal common law rights	
Bristol IP Company	"Bristol"	federal common law rights	
Bristol IP Company	"Bristol Suites"	federal common law rights	
Bristol IP Company	"Bristol Hotels & Resorts"	federal common law rights	

(See: Schedule III to Pledge and Security Agreement "Trade Names Fictitious Names")

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TRADEMARK SECURITY AGREEMENT

This **TRADEMARK SECURITY AGREEMENT** (this "**Agreement**") is dated as of July 28, 1998, and entered into by and between **BRISTOL IP COMPANY**, a Delaware corporation ("**Grantor**"), and **BANKERS TRUST COMPANY**, as agent for and representative of (in such capacity, herein called "**Secured Party**") the financial institutions ("**Lenders**") party to the Credit Agreement referred to below.

PRELIMINARY STATEMENTS

A. The Secured Party and Lenders have entered into that certain Credit Agreement dated as of July 28, 1998 (said Credit Agreement, as amended, restated, supplemented, replaced, refinanced or otherwise modified, being the "**Credit Agreement**", the terms defined therein and not otherwise defined herein being used herein as therein defined), with **BRISTOL HOTEL MANAGEMENT CORPORATION**, a Delaware corporation, **BRISTOL MANAGEMENT, L.P.**, a Texas limited partnership, **BHMC GenPar, L.L.C.**, a Delaware limited liability company, **BHMC LimPar, L.L.C.**, a Delaware limited liability company, **BRISTOL HOTEL TENANT COMPANY**, a Delaware corporation, **BRISTOL HOSPITALITY TENANT COMPANY**, a Delaware corporation, **BRISTOL LODGING TENANT COMPANY**, a Delaware corporation, and **BRISTOL SALT LAKE TENANT COMPANY**, a Delaware corporation (referred to herein individually as a "**Borrower**" and collectively as "**Borrowers**"), and **BRISTOL HOTELS & RESORTS ("BHR")**, pursuant to which Lenders have made certain commitments, subject to the terms and conditions set forth therein, to extend certain credit facilities to the Borrowers.

B. The Grantor, together with certain other Affiliates of the Borrowers, has executed and delivered that certain Guaranty dated as of July 28, 1998 (said Guaranty, as it may hereafter be amended, supplemented or otherwise modified from time to time, being the "**Guaranty**") in favor of the Secured Party for the benefit of Lenders, pursuant to which the Grantor has guarantied the prompt payment and performance when due of all obligations of the Borrowers under the Credit Agreement and the other Loan Documents (including without limitation the obligation to make payments thereunder in the event of early termination thereof).

C. The Grantor owns and uses in its business, and will in the future adopt and so use, various intangible assets, including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles and/or other source and/or business identifiers and applications pertaining thereto (collectively, the "**Trademarks**").

D. The Grantor desires to assign to the Secured Party a Lien on and security interest in all of the Grantor's existing and future Trademarks, all registrations that have been or may hereafter be issued or applied for thereon in the United States and any state thereof and in foreign countries (the "**Registrations**"), all common law and other rights in and to the Trademarks in the United States and any state thereof and in foreign countries (the "**Trademark Rights**"), all goodwill of the Grantor's business symbolized by the Trademarks and associated therewith, including without limitation the documents and things described in Section 1(b) (the "**Associated Goodwill**"), and all proceeds of the Trademarks, the Registrations, the Trademark Rights and the Associated Goodwill, and the Grantor agrees to assign and create a secured and protected interest in the Trademarks, the Registrations, the Trademark Rights, the Associated Goodwill and all the proceeds thereof as provided herein.

E. The Grantor, together with the Borrowers and other grantors listed on the signature pages thereto, has executed and delivered that certain Pledge and Security Agreement dated as of July 28, 1998 (said Pledge and Security Agreement, as it may hereafter be amended, supplemented or otherwise modified from time to time, being the "**Security Agreement**") in favor of the Secured Party for the benefit of Lenders, pursuant to which the Grantor has assigned and granted to the Secured Party a Lien on and security interest in, among other assets, the Grantor's accounts and general intangibles relating to the products and services sold or delivered under or in connection with the Trademarks such that, upon the occurrence and during the continuation of an Event of Default, the Secured Party would be able to exercise its remedies consistent with the Security Agreement, this Agreement and Applicable Laws to foreclose upon the Grantor's business and use the Trademarks, the Registrations and the Trademark Rights in conjunction with the continued operation of such business, maintaining substantially the same product and service specifications and quality as maintained by the Grantor, and benefit from the Associated Goodwill.

F. It is a condition precedent to the initial extensions of credit by the Lenders under the Credit Agreement that the Grantor shall have granted the security interests and undertaken the obligations contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce Lenders to make Loans and other extensions of credit under the Credit Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Grantor hereby agrees with the Secured Party as follows:

SECTION 1. Grant of Security.

The Grantor hereby grants to the Secured Party a security interest in, all of the Grantor's right, title and interest in and to the following, in each case whether now or hereafter existing or in which the Grantor now has or hereafter acquires an interest and wherever the same may be located (the "**Collateral**"):

- (a) each of the Trademarks and rights and interests in Trademarks that are presently, or in the future may be, owned, held (whether pursuant to a license or otherwise) or used by the Grantor, in whole or in part (including, without limitation, the Trademarks

specifically identified in Schedule A annexed hereto, as such Schedule A may be amended pursuant hereto from time to time), and including all Trademark Rights with respect thereto and all federal, state and foreign Registrations therefor heretofore or hereafter granted or applied for, the right (but not the obligation) to register claims under any state or federal trademark law or regulation or any trademark law or regulation of any foreign country and to apply for, renew and extend the Trademarks, Registrations and Trademark Rights, the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of the Grantor or in the name of the Secured Party or otherwise for past, present and future infringements of the Trademarks, Registrations or Trademark Rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country, and the Associated Goodwill; it being understood that the rights and interests included herein shall include, without limitation, all rights and interests pursuant to licensing or other contracts in favor of the Grantor pertaining to any Trademarks, Registrations or Trademark Rights presently or in the future owned, held or used by third parties but, in the case of third parties which are not Affiliates of the Grantor, only to the extent permitted by such licensing or other contracts or otherwise permitted by Applicable Laws and, if not so permitted under any such contracts and Applicable Laws, only with the consent of such third parties;

(b) the following documents and things in the Grantor's possession, or subject to the Grantor's right to possession, related to (y) the production, sale and delivery by the Grantor, or by any Affiliate, licensee or subcontractor of the Grantor, of products or services sold or delivered by or under the authority of the Grantor in connection with the Trademarks, Registrations or Trademark Rights (which products and services shall, for purposes of this Agreement, be deemed to include, without limitation, products and services sold or delivered pursuant to merchandising operations utilizing any Trademarks, Registrations or Trademark Rights); or (z) any retail or other merchandising operations conducted under the name of or in connection with the Trademarks, Registrations or Trademark Rights by the Grantor or any Affiliate, licensee or subcontractor of the Grantor, only to the extent permitted by any licensing or other contracts relating to the foregoing or the following or otherwise permitted by Applicable Laws and, if not so permitted under any such contracts and Applicable Laws, only with the consent of such those Persons authorized to give such consent:

(i) all lists and ancillary documents that identify and describe any of the Grantor's customers, or those of its Affiliates, licensees or subcontractors, for products sold and services delivered under or in connection with the Trademarks or Trademark Rights, including without limitation any lists and ancillary documents that contain a customer's name and address, the name and address of any of its warehouses, branches or other places of business, the identity of the Person or Persons having the principal responsibility on a customer's behalf for ordering products or services of the kind supplied by the Grantor, or the credit, payment, discount, delivery or other sale terms applicable to such customer, together with information setting forth the total purchases, by brand, product, service, style, size or other criteria, and the patterns of such purchases;

(ii) all product and service specification documents and production and quality control manuals used in the manufacture or delivery of products and services sold or delivered under or in connection with the Trademarks or Trademark Rights;

(iii) all documents which reveal the name and address of any source of supply, and any terms of purchase and delivery, for any and all materials, components and services used in the production of products and services sold or delivered under or in connection with the Trademarks or Trademark Rights; and

(iv) all documents constituting or concerning the then current or proposed advertising and promotion by the Grantor or its Affiliates, licensees or subcontractors of products and services sold or delivered under or in connection with the Trademarks or Trademark Rights including, without limitation, all documents which reveal the media used or to be used and the cost for all such advertising conducted within the described period or planned for such products and services;

(c) all books, records, ledger cards, files, correspondence, computer programs, tapes, disks and related data processing software that at any time evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon;

(d) to the extent not included in any other paragraphs of this Section 1, all general intangibles relating to the Collateral; and

(e) all proceeds, products, rents and profits (including without limitation license royalties and proceeds of infringement suits) of or from any and all of the foregoing Collateral and, to the extent not otherwise included, all payments under insurance (whether or not the Secured Party is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral. For purposes of this Agreement, the term "**proceeds**" includes whatever is receivable or received when Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.

SECTION 2. Security for Obligations.

This Agreement secures, and the Collateral is collateral security for, the prompt payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. §362(a), or any successor provision), of all obligations and liabilities of every nature of the Grantor now or hereafter existing under or arising out of or in connection with the Guaranty and all extensions or renewals thereof, whether for principal, interest (including without limitation interest that, but for the filing of a petition in bankruptcy with respect to the Borrowers, would accrue on such obligations), payments for fees, expenses, indemnities or otherwise, whether

voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from the Secured Party or any Lender as a preference, fraudulent transfer or otherwise (all such obligations and liabilities being the “**Underlying Debt**”), and all obligations of every nature of the Grantor now or hereafter existing under this Agreement (all such obligations of the Grantor, together with the Underlying Debt, being the “**Secured Obligations**”).

SECTION 3. The Grantor Remains Liable.

Anything contained herein to the contrary notwithstanding, (a) the Grantor shall remain liable under any contracts and agreements included in the Collateral, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Secured Party of any of its rights hereunder shall not release the Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral, and (c) the Secured Party shall not have any obligation or liability under any contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Secured Party be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 4. Representations and Warranties.

The Grantor represents and warrants as follows:

(a) Description of Collateral. A true and complete list of all Trademarks Registrations and Trademark Rights owned by the Grantor or any other Loan Party, in whole or in part, as of the date of this Agreement is set forth in Schedule A annexed hereto. Each Trademark, Registration and Trademark Right designated on Schedule A as material, any other Trademarks, Registrations and Trademark Rights that use or incorporate the name "BRISTOL", "HARVEY" or other identifiers or symbols derived from or associated with the name "BRISTOL SUITES" or "HARVEY HOTELS" hereafter arising or otherwise owned, held or used by the Grantor and any other Trademarks, Registrations or Trademark Rights hereafter arising or otherwise owned, held or used by the Grantor that are material to the operations of any one or more of the Properties are referred to herein as a “**Material Trademark Property**”.

(b) Validity and Enforceability of Collateral. Each Material Trademark Property is valid, subsisting and enforceable in the jurisdictions indicated on Schedule A annexed hereto. Except as disclosed on Schedule 5.6 to the Credit Agreement, the Grantor is not aware as of the date hereof of any pending or threatened claim by any third party that any Material Trademark Property is invalid or unenforceable or that the use of any Material Trademark Property violates the rights of any third person or of any basis for any such claim and there is no such pending or threatened claim whether or not arising prior to or after the date hereof that could reasonably be expected to have a Material Adverse Effect.

(c) Ownership of Collateral. Except for the security interest assigned and created by this Agreement, the Grantor is the sole legal and beneficial owner of the entire right, title and interest in and to each Material Trademark Property, free and clear of any Lien, subject only to Permitted Encumbrances under the Credit Agreement and Liens of mechanics, materialmen, attorneys and other similar liens imposed by law in the ordinary course of business in connection with the establishment, creation or application for Registration of any Trademarks, Registrations or Trademark Rights for sums not yet delinquent or being contested in good faith (such Liens are referred to herein as "**Permitted Trademark Liens**"). Except as may have been filed in favor of the Secured Party relating to this Agreement, no effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any filing or recording office or in the United States Patent and Trademark Office.

(d) Office Locations; Other Names. The chief place of business, the chief executive office and the office where the Grantor keeps its records regarding the Collateral is at the address specified pursuant to Section 24 of the Security Agreement.

(e) Governmental Authorizations. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for either (i) the assignment by the Grantor of the security interest hereby, (ii) the execution, delivery or performance of this Agreement by the Grantor, or (iii) except for the filings and recordings described in Section 4(f) below, the perfection of the Secured Party's rights and remedies hereunder (except as may have been taken by or at the direction of the Grantor).

(f) Perfection. This Agreement, together with the filing of a financing statement describing the Collateral in the filing offices set forth on Schedule I annexed hereto and the recording of this Agreement or other evidence of the assignment of a security interest in the Collateral described in this Agreement with the United States Patent and Trademark Office, which filings and recordings have been made, assigns and creates a valid, perfected first priority security interest in the Collateral subject only to Permitted Trademark Liens, securing the payment of the Secured Obligations, and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly made or taken.

SECTION 5. Further Assurances; New Trademarks, Registrations and Trademark Rights; Certain Inspection Rights.

(a) 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 Secured Party may request, in order to perfect and protect any security interest assigned or purported to be assigned hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Grantor will: (i) at the request of the Secured Party, mark conspicuously each of its records pertaining to the Material Trademark

Property with a legend, in form and substance satisfactory to the Secured Party, indicating that such Material Trademark Property is subject to the security interest granted hereby, (ii) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Secured Party may request, in order to perfect and preserve the security interests granted or purported to be granted hereby, (iii) use commercially reasonable efforts to obtain any necessary consents of third parties to the assignment and perfection of a security interest to the Secured Party with respect to any Collateral, (iv) at any reasonable time, upon request by the Secured Party, exhibit the Collateral to and allow inspection of the Collateral by the Secured Party, or Persons designated by the Secured Party, and (v) at the Secured Party's request, appear in and defend any action or proceeding that may affect the Grantor's title to or the Secured Party's security interest in all or any part of the Collateral.

(b) The Grantor hereby authorizes the Secured Party to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of the Grantor. The Grantor agrees that a carbon, photographic or other reproduction of this Agreement or of a financing statement signed by the Grantor shall be sufficient as a financing statement and may be filed as a financing statement in any and all jurisdictions.

(c) The Grantor hereby authorizes the Secured Party to modify this Agreement without obtaining the Grantor's approval of or signature to such modification by amending Schedule A annexed hereto to include reference to any right, title or interest in any existing Trademark, Registration or Trademark Right or any Trademark, Registration or Trademark Right acquired or developed by the Grantor after the execution hereof or to delete any reference to any right, title or interest in any Trademark, Registration or Trademark Right in which the Grantor no longer has or claims any right, title or interest.

(d) The Grantor will furnish to the Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party may reasonably request, all in reasonable detail.

(e) If the Grantor shall obtain rights to any new Trademarks, Registrations or Trademark Rights, the provisions of this Agreement shall automatically apply thereto. The Grantor shall promptly notify the Secured Party in writing of any rights to any new Trademarks or Trademark Rights acquired by the Grantor after the date hereof and of any Registrations issued or applications for Registration made after the date hereof which notice shall state whether such Trademark, Registration or Trademark Right constitutes a Material Trademark Property. Concurrently with the filing of an application for Registration for any Trademark, the Grantor shall execute, deliver and record in all places where this Agreement is recorded an appropriate Trademark Security Agreement, substantially in the form hereof, with appropriate insertions, or an amendment to this Agreement or other evidence of assignment of a security interest, in each case in form and substance satisfactory to the Secured Party, pursuant to which the Grantor shall assign a security interest to the extent of its interest in such Registration as provided herein to the Secured Party unless so doing would, in the reasonable judgment of the Grantor, after due inquiry, result in the grant of a Registration in the name of the Secured Party, in which event the Grantor shall give

written notice to the Secured Party as soon as reasonably practicable and the filing shall instead be undertaken as soon as practicable but in no case later than immediately following the grant of the Registration.

(f) The Grantor hereby grants to the Secured Party and its employees, representatives and agents the right to visit the Grantor's and any of its Affiliate's or subcontractor's plants, facilities and other places of business that are utilized in connection with the manufacture, production, inspection, storage or sale of products and services sold or delivered under any of the Trademarks, Registrations or Trademark Rights (or which were so utilized during the prior six month period), and to inspect the quality control and all other records relating thereto upon reasonable notice to the Grantor and as often as may be reasonably requested.

SECTION 6. Certain Covenants of the Grantor.

The Grantor shall:

(a) not use or permit any Collateral to be used unlawfully or in violation of any provision of this Agreement or any applicable statute, regulation or ordinance or any policy of insurance covering the Collateral except to the extent that such use or uses could not reasonably be expected to have a Material Adverse Effect;

(b) pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Collateral, except to the extent the validity thereof is being contested in good faith; provided, however, that the Grantor shall in any event pay such taxes, assessments, charges, levies or claims not later than five days prior to the date of any proposed sale under any judgement, writ or warrant of attachment entered or filed against the Grantor or any of the Collateral as a result of the failure to make such payment;

(c) not sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Collateral, except for licenses granted in the ordinary course of business and as permitted by the Credit Agreement;

(d) except for Permitted Trademark Liens and the security interest assigned and created by this Agreement, not create or suffer to exist any Lien upon or with respect to any of the Collateral to secure the indebtedness or other obligations of any Person;

(e) diligently keep reasonable records respecting the Collateral and at all times keep at least one complete set of its records concerning substantially all of the Trademarks, Registrations and Trademark Rights at the address specified pursuant to Section 24 of the Security Agreement;

(f) not permit the inclusion in any contract to which it becomes a party of any provision that would conflict with this Agreement or impair or prevent the assignment and creation of a security interest in the Grantor's rights and interests in any

property included within the definitions of any Trademarks, Registrations, Trademark Rights and Associated Goodwill;

(g) take all steps necessary to protect the secrecy of all trade secrets relating to the products and services sold or delivered under or in connection with the Trademarks and Trademark Rights, including without limitation entering into confidentiality agreements with employees and labeling and restricting access to secret information and documents;

(h) use proper statutory notice in connection with its use of each Material Trademark Property to the extent reasonably necessary for the protection of each Material Trademark Property;

(i) use consistent standards of high quality (which may be consistent with the Grantor's past practices) in the manufacture, sale and delivery of products and services sold or delivered under or in connection with the Trademarks, Registrations and Trademark Rights, including, to the extent applicable, in the operation and maintenance of its merchandising operations; and

(j) upon any officer of the Grantor obtaining knowledge thereof, promptly notify the Secured Party in writing of any event that could reasonably be expected to materially and adversely affect the value of the Collateral or any portion thereof, the ability of the Grantor or the Secured Party to dispose of the Collateral or any portion thereof, or the rights and remedies of the Secured Party in relation thereto, including without limitation the levy of any legal process against the Collateral or any portion thereof.

SECTION 7. Amounts Payable in Respect of the Collateral.

Except as otherwise provided in this Section 7, the Grantor shall continue to collect, at its own expense, all amounts due or to become due to the Grantor in respect of the Collateral or any portion thereof. In connection with such collections, the Grantor may take (and, at the Secured Party's direction, shall take) such action as the Grantor or the Secured Party may deem reasonably necessary or advisable to enforce collection of such amounts; provided, however, that the Secured Party shall have the right at any time, upon the occurrence and during the continuation of an Event of Default and upon written notice to the Grantor of its intention to do so, to notify the obligors with respect to any such amounts of the existence of the security interest assigned, created, and granted hereby and to direct such obligors to make payment of all such amounts directly to the Secured Party, and, upon such notification and at the expense of the Grantor, to enforce collection of any such amounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Grantor might have done. After receipt by the Grantor of the notice from the Secured Party referred to in the proviso to the preceding sentence, (i) all amounts and proceeds (including checks and other instruments) received by the Grantor in respect of amounts due to the Grantor in respect of the Collateral or any portion thereof shall be received in trust for the benefit of the Secured Party hereunder, shall be segregated from other funds of the Grantor and shall be forthwith paid over or delivered to the Secured Party in the same form as so

received (with any necessary endorsement) to be held as cash Collateral and applied as provided by Section 14 of this Agreement, and (ii) the Grantor shall not adjust, settle or compromise the amount or payment of any such amount or release wholly or partly any obligor with respect thereto or allow any credit or discount thereon.

SECTION 8. Trademark Applications and Litigation.

(a) The Grantor shall have the duty diligently, through counsel reasonably acceptable to the Secured Party, to prosecute any trademark application relating to any of the Material Trademark Property that is pending as of the date of this Agreement, to make federal application on any existing or future registerable but unregistered Material Trademark Property (whenever it is commercially reasonable in the reasonable judgment of the Grantor to do so), and to file and prosecute opposition and cancellation proceedings, renew Material Trademark Property and do any and all acts which are reasonably necessary or desirable to preserve and maintain all rights in all Material Trademark Property. Any expenses incurred in connection therewith shall be borne solely by the Grantor. The Grantor shall not abandon any Material Trademark Property.

(b) Except as provided in Section 8(d) of this Agreement, the Grantor shall have the right to commence and prosecute in its own name, as real party in interest, for its own benefit and at its own expense, such suits, proceedings or other actions for infringement, unfair competition, dilution or other damage as are in its reasonable business judgment necessary to protect the Collateral. The Secured Party shall provide, at the Grantor's expense, all reasonable and necessary cooperation in connection with any such suit, proceeding or action including, without limitation, joining as a necessary party.

(c) The Grantor shall promptly, following its becoming aware thereof, notify the Secured Party of the institution of, or of any adverse determination in, any proceeding (whether in the United States Patent and Trademark Office or any federal, state, local or foreign court) described in Section 8(a) or 8(b) of this Agreement or regarding the Grantor's claim of ownership in or right to use any of the Trademarks, Registrations or Trademark Rights, its right to register the same, or its right to keep and maintain such Registration. The Grantor shall provide to the Secured Party any information with respect thereto requested by the Secured Party.

(d) Anything contained herein to the contrary notwithstanding, upon the occurrence and during the continuation of an Event of Default, the Secured Party shall have the right (but not the obligation) to bring suit, in the name of the Grantor, the Secured Party or otherwise, to enforce any Trademark, Registration, Trademark Right, Associated Goodwill and any license thereunder, in which event the Grantor shall, at the request of the Secured Party, do any and all lawful acts and execute any and all documents required by the Secured Party in aid of such enforcement and the Grantor shall promptly, upon demand, reimburse and indemnify the Secured Party as provided in Section 15 of this Agreement in connection with the exercise of its rights under this Section 8. To the extent that the Secured Party shall elect not to bring suit to enforce any Trademark, Registration, Trademark Right, Associated Goodwill or any license thereunder as provided in this Section 8(d) of this Agreement, the Grantor agrees to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement of any of the

Trademarks, Registrations, Trademark Rights or Associated Goodwill by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any Person so infringing necessary to prevent such infringement.

SECTION 9. Non-Disturbance Agreements, etc.

If and to the extent that the Grantor is permitted to license the Collateral, the Secured Party shall enter into a non-disturbance agreement or other similar arrangement, at the Grantor's request and expense, with the Grantor and any licensee of any Collateral permitted hereunder in form and substance satisfactory to the Secured Party pursuant to which (a) the Secured Party shall agree not to disturb or interfere with such licensee's rights under its license agreement with the Grantor so long as such licensee is not in default thereunder and (b) such licensee shall acknowledge and agree that the Collateral licensed to it is subject to the security interest assigned and created in favor of the Secured Party and the other terms of this Agreement.

SECTION 10. The Secured Party Appointed Attorney-in-Fact.

The Grantor hereby irrevocably appoints the Secured Party as the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor, the Secured Party or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument that the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation:

(a) upon the occurrence and during the continuance of an Event of Default, to endorse the Grantor's name on all applications, documents, papers and instruments necessary for the Secured Party in the use or maintenance of the Collateral;

(b) upon the occurrence and during the continuance of an Event of Default, to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for monies due and to become due under or in respect of any of the Collateral;

(c) upon the occurrence and during the continuance of an Event of Default, to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (b) above;

(d) upon the occurrence and during the continuance of an Event of Default, to file any claims or take any action or institute any proceedings that the Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral;

(e) to pay or discharge taxes or Liens (other than Liens permitted under this Agreement or the Credit Agreement) levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Secured Party in its sole discretion, any such payments made by the

Secured Party to become obligations of the Grantor to the Secured Party, due and payable immediately without demand; and

(f) upon the occurrence and during the continuation of an Event of Default, (i) to execute and deliver any of the assignments or documents requested by the Secured Party pursuant to Section 13 of this Agreement, (ii) to grant or issue an exclusive or non-exclusive license to the Collateral or any portion thereof to any Person, and (iii) otherwise generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Secured Party were the absolute owner thereof for all purposes, and to do, at the Secured Party's option and the Grantor's expense, at any time or from time to time, all acts and things that the Secured Party deems necessary to protect, preserve or realize upon the Collateral and the Secured Party's security interest therein in order to effect the intent of this Agreement, all as fully and effectively as the Grantor might do.

SECTION 11. The Secured Party May Perform.

If the Grantor fails to perform any agreement contained herein, the Secured Party may itself perform, or cause performance of, such agreement, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Grantor under Section 15 of this Agreement.

SECTION 12. Standard of Care.

The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property.

SECTION 13. Remedies.

If any Event of Default shall have occurred and be continuing:

(a) The Secured Party may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code as in effect in any relevant jurisdiction (the "Code") (whether or not the Code applies to the affected Collateral), and also may (i) require the Grantor to, and the Grantor hereby agrees that it will at its expense and upon request of the Secured Party forthwith, assemble all or part of the Collateral as directed by the Secured Party and make it available to the Secured Party at a place to be designated by the Secured Party that is reasonably convenient to both

parties, (ii) enter onto the property where any Collateral is located and take possession thereof with or without judicial process, (iii) prior to the disposition of the Collateral, store the Collateral or otherwise prepare the Collateral for disposition in any manner to the extent the Secured Party deems appropriate, (iv) take possession of the Grantor's premises or place custodians in exclusive control thereof, remain on such premises and use the same for the purpose of taking any actions described in the preceding clause (iii) and collecting any Secured Obligation, (v) exercise any and all rights and remedies of the Grantor under or in connection with the contracts related to the Collateral or otherwise in respect of the Collateral, including without limitation any and all rights of the Grantor to demand or otherwise require payment of any amount under, or performance of any provision of, such contracts, and (vi) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Secured Party's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as the Secured Party may deem commercially reasonable. The Secured Party or any Lender may be the purchaser of any or all of the Collateral at any such sale and the Secured Party, as agent for and representative of Lenders (but not any Lender or Lenders in its or their respective individual capacities), shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by the Secured Party at such sale. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of the Grantor, and the Grantor hereby waives (to the extent permitted by Applicable Laws) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Grantor hereby waives any claims against the Secured Party arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Secured Party accepts the first offer received and does not offer such Collateral to more than one offeree. If the proceeds of any sale or other disposition of the Collateral are insufficient to pay all the Secured Obligations, the Grantor shall be liable for the deficiency and the fees of any attorneys employed by the Secured Party to collect such deficiency.

(b) Upon written demand from the Secured Party, the Grantor shall execute and deliver to the Secured Party an assignment or assignments of the Trademarks, Registrations, Trademark Rights and the Associated Goodwill and such other documents requested by the Secured Party. The Grantor agrees that such an assignment and/or recording shall be applied to reduce the Secured Obligations outstanding only to the extent

that the Secured Party receives cash proceeds in respect of the sale of, or other realization upon, the Collateral.

(c) Within five Business Days after written notice from the Secured Party, the Grantor shall make available to the Secured Party, to the extent within the Grantor's power and authority, such personnel in the Grantor's employ on the date of such Event of Default as the Secured Party may reasonably designate, by name, title or job responsibility, to permit the Grantor to continue, directly or indirectly, to produce, advertise and sell the products and services sold or delivered by the Grantor under or in connection with the Trademarks, Registrations and Trademark Rights, such persons to be available to perform their prior functions on the Secured Party's behalf and to be compensated by the Secured Party at the Grantor's expense on a per diem, pro-rata basis consistent with the salary and benefit structure (but subject to all applicable federal, state and local laws) applicable to each as of the date of such Event of Default; provided that in all cases above such personnel shall remain employees of Grantor for all purposes including, without limitation, determination of and eligibility for compensation and benefits.

SECTION 14. Application of Proceeds.

Except as expressly provided elsewhere in this Agreement, all proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied as provided in Section 2.4C of the Credit Agreement.

SECTION 15. Indemnity and Expenses.

(a) The Grantor agrees to indemnify the Secured Party and each Lender from and against any and all claims, losses and liabilities in any way relating to, growing out of or resulting from this Agreement and the transactions contemplated hereby (including, without limitation, enforcement of this Agreement), except to the extent such claims, losses or liabilities result primarily from the Secured Party's or such Lender's bad faith, recklessness or willful misconduct as finally determined by a court of competent jurisdiction.

(b) The Grantor shall pay to the Secured Party upon demand the amount of any and all costs and expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, that the Secured Party may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Secured Party hereunder, or (iv) the failure by the Grantor to perform or observe any of the provisions hereof.

(c) The obligations of the Grantor under this Section 15 shall survive the termination of this Agreement and the discharge of the Grantor's other obligations under the Loan Documents.

SECTION 16. Continuing Security Interest; Transfer of Loans.

This Agreement shall assign and create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the payment in full of the Secured Obligations and the cancellation or termination of the Commitments, (b) be binding upon the Grantor, its successors and assigns, and (c) inure, together with the rights and remedies of the Secured Party hereunder, to the benefit of the Secured Party and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), but subject to the provisions of Section 10.1 of the Credit Agreement, any Lender may assign or otherwise transfer any Loans and Commitments held by it to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to Lenders herein or otherwise. Upon the payment in full of all Secured Obligations and the cancellation or termination of the Commitments, the security interest assigned hereby shall terminate and all rights to the Collateral shall revert to the Grantor. Upon any such termination the Secured Party will, at the Grantor's expense, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 17. The Secured Party as Agent.

(a) The Secured Party has been appointed to act as the Secured Party hereunder by Lenders. The Lenders, by their acceptance of the benefits hereunder, hereby appoint the Secured Party to act as the Administrative Agent and the Secured Party hereunder in accordance with the provisions of Section 9 of the Credit Agreement, including without limitation the provisions of Section 9.2 of the Credit Agreement, and the Lenders further hereby agree to indemnify the Secured Party on a ratable basis in accordance with Section 9.4 of the Credit Agreement. The Secured Party shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including, without limitation, the release or substitution of Collateral), solely in accordance with this Agreement and the Credit Agreement. Each Lender, by acceptance of the benefits hereof, hereby agrees that no Lender shall have any liability to any other Lender for any such direction by Requisite Lenders. In furtherance of the foregoing provisions of this Section 17(a), each Lender, by its acceptance of the benefits hereof, agrees that it shall have no right individually to enforce this Agreement, it being understood and agreed by Lenders that all rights and remedies hereunder may be exercised solely by the Secured Party, for the benefit of the Lenders, in accordance with the terms of this Section 17(a).

(b) The Secured Party shall at all times be the same Person that is Administrative Agent under the Credit Agreement. Upon the acceptance of any appointment as Administrative Agent by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Secured Party under this Agreement, and the retiring or removed Secured Party under this Agreement shall promptly (i) transfer to such successor Secured Party all sums, securities and other items of Collateral held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Secured Party under this Agreement, and (ii) execute and deliver to such successor Secured Party such amendments to financing statements, and take such other actions, as may be

necessary or appropriate in connection with the assignment to such successor Secured Party of the security interests created hereunder, whereupon such retiring or removed Secured Party shall be discharged from its duties and obligations under this Agreement. After any retiring or removed Agent's resignation or removal hereunder as the Secured Party, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Secured Party hereunder.

SECTION 18. Amendments, Etc.

No amendment, modification, termination or waiver of any provision of this Agreement, and no consent to any departure by the Grantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Secured Party and, in the case of any such amendment or modification, by the Grantor. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

SECTION 19. Notices.

Any notice or other communication herein required or permitted to be given shall be in writing and may be personally served or sent by telefacsimile or courier service and shall be deemed to have been given when delivered in person or by courier service or upon receipt of telefacsimile. For the purposes hereof, the address of each party hereto shall be as set forth under such party's name on the signature pages hereof or, as to either party, such other address as shall be designated by such party in a written notice delivered to the other party hereto.

SECTION 20. Failure or Indulgence Not Waiver; Remedies Cumulative.

No failure or delay on the part of the Secured Party in the exercise of any power, right or privilege hereunder shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude any other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

SECTION 21. Severability.

In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 22. Headings.

Section and subsection headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

SECTION 23. Governing Law; Terms.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING WITHOUT LIMITATION SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES, EXCEPT TO THE EXTENT THAT THE CODE OR ANY OTHER APPLICABLE LAWS PROVIDES THAT THE PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK. Unless otherwise defined herein or in the Credit Agreement, terms used in Articles 8 and 9 of the Uniform Commercial Code in the State of New York are used herein as therein defined.

SECTION 24. Counterparts.

This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

SECTION 25. Effectiveness.


The provisions of this Agreement shall become effective only if the Closing Date occurs on or prior to July 31, 1998 (the "**Specified Date**"). If the Closing Date does not occur on or before the Specified Date, then this Agreement shall terminate.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Grantor and the Secured Party have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

Grantor:

BRISTOL IP COMPANY,
a Delaware corporation

By: 
Edward J. Nolan
Vice President

Notice Address:
Bristol IP Company
300 Delaware Avenue
Suite 1704
Wilmington, Delaware 19801
Attention: Legal Department

Secured Party:

BANKERS TRUST COMPANY,
as Secured Party

By: _____
Garrett W. Thelander
Vice President

Notice Address:
Bankers Trust Company
130 Liberty Street
New York, New York 10006
Attention: Garrett W. Thelander
Fax: (212) 669-0743

IN WITNESS WHEREOF, the Grantor and the Secured Party have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

Grantor:

BRISTOL IP COMPANY,
a Delaware corporation

By: _____
Edward J. Nolan
Vice President

Notice Address:
Bristol IP Company
300 Delaware Avenue
Suite 1704
Wilmington, Delaware 19801
Attention: Legal Department

Secured Party:

BANKERS TRUST COMPANY,
as Secured Party

By: _____
Garrett W. Thelander
Vice President

Notice Address:
Bankers Trust Company
130 Liberty Street
New York, New York 10006
Attention: Garrett W. Thelander
Fax: (212) 669-0743

**SCHEDULE I
TO TRADEMARK SECURITY AGREEMENT**

Filing Offices

LA1:813524

20

Execution Copy

RECORDED: 08/28/1998

TRADEMARK
REEL: 1778 FRAME: 0285