

D. Freeman



08-25-1998

U.S. Patent & TMOtc/TM Mail Ropt Dt. #26

RE

09-30-1998



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RE MRD

(RE-FILE -- Original Document ID Number: 100654557A)



To the Honorable Commissioner of Patents and Trademarks:
Please record the attached original documents or copy thereof

1. Name of conveying parties:

Carewell Industries, Inc.
300 Nyala Farms Road
Westport, CT 06880

a New York corporation

2. Name and address of receiving party:

Wells Fargo Bank, N.A., as Collateral Agent
1445 Ross Avenue, Suite 400
Dallas, TX 75202

3. Nature of conveyance:

Subsidiary Security Agreement

Execution Date: January 28, 1998

4. Trademark registration numbers:

See attached Annex "A".

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

Matthew A. Freeman
O'Melveny & Myers LLP
400 South Hope Street
Los Angeles, California 90071

6. Total number of applications and registrations involved:

7

7. Total fee:

\$190.00

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.

MATT FREEMAN
Name of Person Signing

Matthew Freeman
Signature

8/24/98
Date

TOTAL NUMBER OF PAGES COMPRISING COVER SHEET: 2



08-25-1998

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #26

ANNEX A

Trademarks and Trademark Licenses

1) U.S. Trademark Registrations

<u>TRADEMARK</u>	<u>REG. NO.</u>	<u>REG. DATE</u>
Dentax	1,593,080	4/24/90
Dentax	2,104,218	10/7/97
Dentax	2,162,261	6/2/98
Because Your Smile Deserves Custom Care	1,988,424	7/23/96
Clean Stream	2,007,049	10/8/96
White Cloud	2,070,125	6/10/97

2) U.S. Trademark Applications

<u>TRADEMARK</u>	<u>SERIAL NO.</u>	<u>DATE FILED</u>
White Cloud	74/430,205	8/29/93

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re the TRADEMARK registration of

Waeschle Maschinenfabrik GmbH

Registration No. 2,115,415

Registration Date: November 25, 1997

Mark: WAESCON (stylized)

DESIGNATION OF DOMESTIC REPRESENTATIVE

EPSTEIN, EDELL & RETZER, having a mailing address of 1901 Research Boulevard, Suite 400, Rockville, Maryland 20850, Telephone No. (301)424-3640, is hereby designated as registrant's domestic representative upon whom notices of process in proceedings affecting the registration may be served.

WAESCHLE MASCHINENFABRIK GMBH

15.05.1998

Date


Manfred Wolf
Managing Director

MED
2-9-98

~~03-09-1998~~
~~100654557~~

T

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Carewell Industries, Inc.
300 Nyala Farms Road
Westport, CT 06880

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correspondence concerning document
should be mailed:

Matthew A. Freeman
O'Melveny & Myers LLP
400 South Hope Street
Los Angeles, California 90071

6. Total number of applications and
registrations involved:

22

7. Total fee:

\$565.00

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.

MATT FREEMAN

Name of Person Signing

Matthew Freeman

Signature

2/4/98

Date

TOTAL NUMBER OF PAGES COMPRISING COVER SHEET: 2

LA1-777222.V1

03/09/1998 1553080
01 FC:461
02 FD:462
TT0M11
40.00 BP
525.00 BP

TRADEMARK
REEL: 1793 FRAME: 0626

SUBSIDIARY SECURITY AGREEMENT

made by

Carewell Industries, Inc.

in favor of

Wells Fargo Bank, N.A., as Collateral Agent

Dated as of January 28, 1998

SUBSIDIARY SECURITY AGREEMENT

CAREWELL INDUSTRIES, INC., GRANTOR

WELLS FARGO BANK, N.A., AS COLLATERAL AGENT

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SUBSIDIARY SECURITY AGREEMENT

SUBSIDIARY SECURITY AGREEMENT, dated as of January 28, 1998, made by Carewell Industries, Inc., a New York corporation (the "Grantor"), in favor of Wells Fargo Bank, N.A., as collateral agent (in such capacity, the "Collateral Agent") for and representative of the Secured Parties (as hereinafter defined).

W I T N E S S E T H:

WHEREAS, Playtex Products, Inc., as the borrower (the "Borrower"), the several lenders from time to time parties thereto (the "Credit Agreement Lenders"), DLJ Capital Funding, Inc. ("DLJ"), as the syndication agent (in such capacity, the "CA Syndication Agent"), and Wells Fargo Bank, N.A., as administrative agent for the Credit Agreement Lenders (in such capacity, the "Administrative Agent"), have entered into a Credit Agreement, dated as of July 21, 1997 (said agreement, as it may hereafter be amended, supplemented or otherwise modified from time to time, being the "Credit Agreement");

WHEREAS, the Borrower, the various financial institutions (the "Term Loan Lenders"), DLJ, as the syndication agent (in such capacity, the "Term Loan Syndication Agent"), and Wells Fargo Bank, N.A., as the facility manager for the Term Loan Lenders (in such capacity, the "Facility Manager"), have entered into a Term Loan Agreement, dated as of July 21, 1997 (said agreement, as it may hereafter be amended, supplemented or otherwise modified from time to time, being the "Term Loan Agreement"; the Administrative Agent, the CA Syndication Agent, the Credit Agreement Lenders, the Facility Manager, the Term Loan Syndication Agent and the Term Loan Lenders being referred to herein as the "Secured Parties");

WHEREAS, it is a condition precedent to the effectiveness of the Credit Agreement and to the obligation of each Credit Agreement Lender to extend credit to the Borrower thereunder and the effectiveness of the Term Loan Agreement and to the obligation of each Term Loan Lender to extend credit to the Borrower thereunder, that the Grantor execute a Subsidiary Guarantee of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Guarantee") in favor of the Collateral Agent for the benefit of the Secured Parties;

WHEREAS, the Grantor desires to equally and ratably secure all of its Obligations under the Guarantee; and

WHEREAS, it is a further condition precedent to the effectiveness of the Credit Agreement and to the obligation of each Credit Agreement Lender to extend credit to the Borrower thereunder, and the effectiveness of the Term Loan Agreement and to the obligation of each Term Loan Lender to extend credit to the Borrower thereunder, that the Grantor shall execute and deliver this Subsidiary Security Agreement to secure payment and performance of the Grantor's obligations under the Guarantee.

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent, the CA Syndication Agent and the Credit Agreement Lenders to enter into the Credit Agreement, to induce the Credit Agreement Lenders to make their respective loans to, and issue Letters of Credit for the account of, the Borrower, to induce the Facility Manager, the Term Loan Syndication Agent and the Term Loan Lenders to enter into the Term Loan Agreement and to induce the Term Loan Lenders to make their respective loans to the Borrower, the Grantor hereby agrees with the Collateral Agent, for its benefit and the benefit of the Secured Parties, as follows:

1. Defined Terms.

1.1 Definitions. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: Accounts, Chattel Paper, Documents, General Intangibles, Instruments, Inventory and Proceeds.

(b) The following terms shall have the following meanings:

"Agreement": this Subsidiary Security Agreement, as the same may be amended, modified or otherwise supplemented from time to time.

"Code": the Uniform Commercial Code as from time to time in effect in the State of New York.

"Collateral": as defined in Section 2 of this Agreement.

"Collateral Account": as defined in the Intercreditor Agreement.

"Default": any "Default" as defined in any Financing Agreement.

"Event of Default": any "Event of Default" as defined in any Financing Agreement.

"Financing Agreements": the Credit Agreement and the Term Loan Agreement.

"Intercreditor Agreement": the Intercreditor Agreement, dated as of July 21, 1997, by and among the Collateral Agent, the Administrative Agent, the Facility Manager and other parties thereto.

"Material Adverse Effect": any of the events described in the definition of "Material Adverse Effect" in any Financing Agreement.

"Obligations": as defined in the Guarantee.

"Patents": (a) all letters patent of the United States and all reissues and extensions thereof, including, without limitation, any thereof referred to in Schedule I hereto, and (b) all applications for letters patent of the United States and all divisions, continuations and continuations-in-part thereof, including, without limitation, any thereof referred to in Schedule I hereto.

"Patent License": those certain agreements, set forth on Schedule I hereto, providing for the grant by or to the Grantor of rights to manufacture, use or sell certain inventions covered by the United States Patents, as well as any such agreements, whether written or oral, created prior to or after the date hereof with respect to which, by their terms, a security interest therein may be granted hereunder in favor of, and the Grantor's interest therein may be assigned to, the Collateral Agent without the consent of any party.

"Trademarks": (a) all United States trademarks, trade names, corporate names, company names, business names, fictitious business names; trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States or any State thereof or any political subdivision thereof, including, without limitation, any thereof referred to in Schedule 2 hereto, and (b) all renewals thereof.

"Trademark License": those certain agreements, set forth on Schedule 2 hereto, as well as any agreements providing for the grant by or to the Grantor of any rights to use certain Trademarks, whether written or oral, created prior to or after the date hereof with respect to which, by their terms, a security interest therein may be granted hereunder in favor of, and the Grantor's interest therein may be assigned to, the Collateral Agent without the prior consent of any party.

1.2 Other Definitional Provisions. (a) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and paragraph references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations, the Grantor hereby grants to the Collateral Agent for its benefit and the ratable benefit of the Secured Parties a security interest in all of the following property, to the extent of the Grantor's interest therein, now owned or at any time hereafter acquired by the Grantor or in which the Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), provided that in no event

shall the amount of Obligations secured hereby exceed the maximum amount guaranteed by the Grantor under the Guarantee at any time:

- (a) all Accounts;
- (b) all General Intangibles connected with the use of, and symbolized by the Patents, Patent Licenses, the Trademarks and the Trademark Licenses (to the extent that, with respect to each of the foregoing, a security interest therein may be granted hereunder in favor of, and the Grantor's interest therein may be assigned to, the Collateral Agent without the prior consent of any party);
- (c) all Inventory;
- (d) all Patents;
- (e) all Patent Licenses;
- (f) all Trademarks;
- (g) all Trademark Licenses;
- (h) all books and records pertaining to the Collateral; and
- (i) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing.

3. Representations and Warranties. The Grantor hereby represents and warrants that:

3.1 Title; No Other Liens. Except for the security interest granted to the Collateral Agent for its benefit and the benefit of the Secured Parties pursuant to this Agreement and the other Liens permitted to exist on the Collateral ("Permitted Liens") pursuant to the Financing Agreements, the Grantor owns, or is a licensee with respect to, each item of the Collateral free and clear of any and all Liens or claims of others. No security agreement, financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed (a) in favor of or, promptly after the date hereof, duly assigned to the Collateral Agent, for its benefit and the benefit of the Secured Parties, pursuant to this Agreement, (b) in connection with Permitted Liens, or (c) in connection with the Existing Credit Agreement which shall be terminated substantially contemporaneously with the execution of this Agreement.

3.2 Perfected First Priority Liens. (a) Except with respect to Inventory located outside the United States, the security interest granted pursuant to this Agreement (a) upon timely (as it relates to filings with the United States Patent and Trademark Office)

consummation of the filings and other actions set forth on Schedule 3 hereto, constitute perfected security interests in the Collateral in favor of the Collateral Agent, for its benefit and the benefit of the Secured Parties, (b) are prior to all other Liens on the Collateral in existence on the date hereof (except for Permitted Liens and Liens in connection with the Existing Credit Agreement which shall be released substantially contemporaneously with the execution of this Agreement) to the extent such security interests are given priority by operation of law, and (c) will be enforceable as such against all creditors of and purchasers from the Grantor (except purchasers of Inventory in the ordinary course of business), except as such enforcement may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing. For purposes of this subsection 3.2, the word "timely" shall be defined consistently with the provisions of Section 1060 of 15 U.S.C.

3.3 Material Patents. In the judgment of the Grantor, the Patents referred to in Schedule 1 hereto constitute substantially all the material Patents and material Patent Licenses of the Grantor.

3.4 Material Trademarks. In the judgment of the Grantor, the Trademarks and Trademark Licenses referred to in Schedule 2 hereto constitute substantially all of the material Trademarks and material Trademark Licenses of the Grantor.

3.5 Inventory. The Inventory is kept at the locations listed on Schedule 4 hereto, as said Schedule 4 may be amended or supplemented from time to time by 30 days' prior written notice by the Grantor to the Collateral Agent.

3.6 Chief Executive Office. The Grantor's name is as set forth with its signature page hereto and its chief executive office and chief place of business is located at 300 Nyala Farms Road, Westport, Connecticut 06880, which name and location may be changed by 30 days' prior written notice by the Grantor to the Collateral Agent.

4. Covenants. The Grantor covenants and agrees with the Collateral Agent and the Secured Parties that, from and after the date of this Agreement until this Agreement is terminated and the security interests created hereby are released:

4.1 Delivery of Instruments and Chattel Paper. If any amount payable under or in connection with any of the Collateral (other than a receivable from any Subsidiary) in excess of \$50,000 shall be or become evidenced by any Instrument or Chattel Paper, such Instrument or Chattel Paper shall be immediately delivered to the Collateral Agent, duly indorsed in a manner satisfactory to the Collateral Agent, to be held as Collateral pursuant to this Agreement.

4.2 Maintenance of Insurance.

(a) The Grantor will maintain, with financially sound and reputable companies, insurance policies (1) insuring the Inventory against loss by fire, explosion, theft and such other casualties as may be reasonably satisfactory to the Collateral Agent and (2) insuring the Grantor, the Collateral Agent and the Secured Parties against liability for personal injury and property damage relating to such Inventory, such policies to be in such form and amounts and having such coverage as may be reasonably satisfactory to the Collateral Agent and the Secured Parties, with losses payable to the Grantor, the Collateral Agent and the Secured Parties as their respective interests may appear, provided that in lieu of or supplemental to any such insurance, the Grantor may adopt such other plan or method of protection, whether by the establishment of an insurance fund or reserve to be held and applied to make good losses from casualties or liabilities, or otherwise, and consistent with sound business practices as may be determined by the Board of Directors of the Grantor.

(b) All such insurance shall (1) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 30 days after receipt by the Collateral Agent of written notice thereof, (2) with respect to liability insurance policies, name the Collateral Agent and the Secured Parties as insured parties and (3) be reasonably satisfactory in all other respects to the Collateral Agent.

4.3 Maintenance of Perfected Security Interest; Further Documentation.

(a) The Grantor shall maintain the security interest created by this Agreement as a perfected security interest subject only to the Permitted Liens and shall defend such security interest against claims and demands of all Persons whomsoever.

(b) At any time and from time to time, upon the written request of the Collateral Agent, and at the sole expense of the Grantor, the Grantor will promptly and duly execute and deliver such further instruments and documents and take such further actions as the Collateral Agent may reasonably request for the purposes of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction or the filing of any documents with the United States Patent and Trademark Office or with any similar office or agency of any Governmental Authority in the United States with respect to the security interests created hereby.

4.4 Changes in Locations, Name, etc. The Grantor will not:

(a) permit any of the Inventory to be kept at a location other than those listed on Schedule 4 hereto (unless such Inventory is conveyed, sold, leased, transferred, assigned or otherwise disposed of as permitted by subsection 10.6 of the Credit Agreement or subsection 7.5 or 7.8 of the Term Loan Agreement) or change the location of its chief executive office and chief place of business from that specified in subsection 3.5, without, in

either case, giving the Collateral Agent at least 30 days' prior written notice of such change; or

(b) change its name, identity or corporate structure (other than pursuant to subsection 10.5(a) of the Credit Agreement and subsection 7.8 of the Term Loan Agreement, provided that in connection therewith the Grantor shall have executed and delivered to the Collateral Agent such Uniform Commercial Code Financing Statements and other documents as the Collateral Agent may reasonably request to evidence the Collateral Agent's security interests hereunder) to such an extent that any financing statement filed by the Collateral Agent in connection with this Agreement would become seriously misleading, unless it shall have given the Collateral Agent at least 30 days' prior written notice of such change.

4.5 Further Identification of Collateral. The Grantor will furnish to the Collateral Agent and the Secured Parties from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

4.6 Notices. The Grantor will advise the Collateral Agent promptly after becoming aware thereof, in reasonable detail, at its address set forth on the signature page hereof of:

(a) any Lien (other than security interests created hereby or other Permitted Liens) on, or claim asserted against, any of the Collateral; and

(b) the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interests created hereby.

4.7 Indemnification. The Grantor agrees to pay, and to save the Collateral Agent and the Secured Parties harmless from, any and all liabilities, costs and expenses (including, without limitation, reasonable legal fees and expenses) (1) with respect to, or resulting from any delay in paying, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (2) with respect to, or resulting from, any delay in complying with any Requirement of Law applicable to any of the Collateral and (3) in connection with any of the transactions contemplated by this Agreement.

5. Provisions Relating to Accounts.

5.1 Grantor Remains Liable Under Accounts. Anything herein to the contrary notwithstanding, the Grantor shall remain liable under each of the Accounts to observe and perform all the conditions and obligations to be observed and performed by it thereunder all in accordance with the terms of any agreement giving rise to each such Account. Neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Agreement

or the receipt by the Collateral Agent or any Secured Party of any payment relating to such Account pursuant hereto, nor shall the Collateral Agent or any Secured Party be obligated in any manner to perform any of the obligations of the Grantor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

5.2 Analysis Accounts. The Collateral Agent shall have the right, upon reasonable advance notice to the Grantor and at reasonable intervals, to make test verifications of the Accounts in any manner and through any medium that it reasonably considers advisable, and the Grantor shall furnish all such assistance and information as the Collateral Agent may require in connection with such test verifications. At any time and from time to time, upon the Collateral Agent's reasonable request at reasonable intervals, and at the expense of the Grantor, the Grantor shall cause independent public accountants or others satisfactory to the Collateral Agent to furnish to the Collateral Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent in its own name or in the name of others may communicate with account debtors on the Accounts to verify with them to the Collateral Agent's satisfaction the existence, amount and terms of any Accounts.

5.3 Collection on Accounts.

(a) The Collateral Agent hereby authorizes the Grantor to collect the Accounts, and the Collateral Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Accounts, when collected by the Grantor, (1) shall be forthwith (and, in any event, within two Business Days) deposited by the Grantor in the exact form received, duly indorsed by the Grantor to the Collateral Agent if required, in a Collateral Account maintained under the sole dominion and control of the Collateral Agent, subject to withdrawal by the Collateral Agent for the account of the Secured Parties only as provided in subsection 8.3, and (2) until so turned over, shall be held by the Grantor in trust for the Collateral Agent and the Secured Parties, segregated from other funds of the Grantor.

(b) Each such deposit of Proceeds of Accounts shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

5.4 Representations and Warranties.

(a) No amount payable to the Grantor under or in connection with any Account in excess of \$50,000 is evidenced by any Instrument or Chattel Paper which has not been delivered to the Collateral Agent.

(b) The place where the Grantor keeps its records concerning the Accounts is Dover, Delaware.

(c) None of the obligors on any Accounts is a Governmental Authority, except for Accounts representing, in the aggregate at any time, less than 5% of all the Accounts.

5.5 Covenants.

(a) The amount represented by the Grantor to the Secured Parties from time to time as owing by each account debtor or by all account debtors in respect of the Accounts will at such time be the correct amount actually owing by such account debtor or debtors thereunder, except to the extent that appropriate reserves with respect to uncollectibility therefor have been established on the books of the Grantor in accordance with GAAP.

(b) Other than in the ordinary course of business as generally conducted by the Grantor over a period of time, the Grantor will not grant any extension of the time of payment of any of the Accounts, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partially, any Person liable for the payment thereof, or allow any credit or discount whatsoever thereon.

(c) The Grantor will not remove its books and records from the location specified in paragraph 5.4(b).

(d) In any suit, proceeding or action brought by the Collateral Agent or any Secured Party under any Account for any sum owing thereunder, the Grantor will save, indemnify and keep the Collateral Agent and such Secured Party harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the account debtor thereunder, arising out of a breach by the Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or its successors from the Grantor.

6. Provisions Relating to Trademark Licenses.

6.1 Grantor Remains Liable Under Trademark Licenses. Anything herein to the contrary notwithstanding, the Grantor shall remain liable under each of the Trademark Licenses to observe and perform all the conditions and obligations to be observed and performed by it thereunder all in accordance with and pursuant to the terms and provisions of each Trademark License. Neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any Trademark License by reason of or arising out of this Agreement or the receipt by the Collateral Agent or any such Secured Party of any payment relating to such Trademark License pursuant hereto or the Intercreditor Agreement, nor shall the Collateral Agent or any Secured Party be obligated in any manner to perform any of the obligations of the Grantor under or pursuant to any Trademark License prior to any foreclosure in respect thereof, to make any payment, to make any inquiry as to the nature or

the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Trademark License, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

6.2 Representations and Warranties. (a) No consent of any party (other than the Grantor) to any Trademark License (except for any such consents the absence of which, in the aggregate, would not be reasonably likely to have a material adverse effect on the aggregate value of the Trademark Licenses) is required, or purports to be required, in connection with the execution, delivery and performance of this Agreement other than those which have been received and are in full force and effect.

(b) Each Trademark License (except for any such Trademark Licenses the loss of which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect) is in full force and effect and constitutes a valid and legally enforceable obligation of the Grantor and (to the best of the Grantor's knowledge) the other parties thereto, except as affected by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(c) No consent or authorization of, filing with or other act by or in respect of any Governmental Authority is required in connection with the execution, delivery, performance, validity or enforceability of any of the Trademark Licenses by any party thereto other than those (i) which have been duly obtained, made or performed, are in full force and effect and do not subject the scope of any such Trademark License to any material adverse limitation, either specific or general in nature or (ii) the absence of which would not be reasonably likely to have a material adverse effect on the aggregate value of the Trademark Licenses.

(d) Neither the Grantor nor (to the best of Grantor's knowledge) any other party to any Trademark License is in default or is likely to become in default in the performance or observance of any of the material terms thereof (except to the extent that any such default by a party other than the Grantor would not in the aggregate be reasonably likely to have a material adverse effect on the aggregate value of the Trademark Licenses).

(e) The Grantor has not breached in any material respect its obligations under each Trademark License to be performed on or prior to the date on which the representation is made or deemed to be made.

(f) The right, title and interest of the Grantor in, to and under each Trademark License are not subject to any defense, offset, counterclaim or claim which would materially adversely affect the value of such Trademark License as Collateral, nor have any of the foregoing which would be reasonably likely to have such a material adverse effect been asserted or alleged against the Grantor as to any Trademark License.

(g) The Grantor has delivered to the Collateral Agent a complete and correct copy of each Trademark License, including all amendments, supplements and other modifications thereto.

6.3 Covenants. (a) The Grantor will perform and comply in all material respects with all its obligations under the Trademark Licenses.

(b) The Grantor will not amend, modify, terminate or waive any provision of any Trademark Licenses in any material manner without the prior written consent of the Collateral Agent, which consent shall not be unreasonably withheld or delayed.

(c) The Grantor will not fail to exercise promptly and diligently each and every material right which it may have under each material Trademark License (other than any right of termination) unless the exercise of any such right is not in the best interests of the Grantor and the Secured Parties.

(d) The Grantor will not fail to deliver to the Collateral Agent a copy of each material demand, notice or document received by it relating in any way to any material Trademark Licenses.

(e) In any suit, proceeding or action brought by the Collateral Agent or any Secured Party under any Trademark Licenses for any sum owing thereunder, or to enforce any provisions of any Trademark License, the Grantor will save, indemnify and keep the Collateral Agent and each of the Secured Parties harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the obligor thereunder, arising out of a breach by the Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligor or its successors from the Grantor.

7. Provisions Relating to Trademarks and Patents.

7.1 Representations and Warranties. (a) To the best of Grantor's knowledge, each material Patent and material Trademark is valid, subsisting, unexpired, enforceable and has not been abandoned.

(b) Except as set forth in either Schedule 1 or Schedule 2, none of such material Patents or Trademarks is the subject of any licensing or franchise agreement.

(c) No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of any material Patent or Trademark.

(d) No action or proceeding is pending (1) seeking to limit, cancel or question the validity of any material Patent or Trademark, or (2) which would be reasonably likely to have a material adverse effect on the value of any material Patent or Trademark.

7.2 Covenants.

(a) Except as permitted by subsections 9.4, 10.5 and 10.6 of the Credit Agreement and subsections 6.4, 7.5 and 7.6 of the Term Loan Agreement, the Grantor (either itself or through licensees) will, except with respect to any Trademark that the Grantor shall reasonably determine is of negligible economic value to it, (1) continue to use each Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, except with regard to discontinuations resulting from the expiration of license agreements which the Grantor, in accordance with its reasonable business judgment, chooses not to renew or otherwise reissue, (2) maintain as in the past the quality of products and services offered under such Trademark, (3) employ such Trademark with the appropriate notice of registration, or notice of trademark as applicable, (4) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Collateral Agent, for its benefit and the benefit of the Secured Parties, shall obtain a perfected security interest in such mark pursuant to this Agreement, and (5) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any Trademark may become invalidated.

(b) The Grantor will not, except with respect to any Patent that the Grantor shall reasonably determine is of negligible economic value to it, do any act, or omit to do any act, whereby any Patent may become abandoned or dedicated.

(c) The Grantor will notify the Collateral Agent and the Secured Parties promptly if it knows that any application or registration relating to any material Patent or Trademark may become abandoned or dedicated, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding before the United States Patent and Trademark Office or any court or tribunal in the United States) regarding the Grantor's ownership of any material Patent or Trademark or its right to register the same or to keep and maintain the same.

(d) Whenever the Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Patent or Trademark with the United States Patent and Trademark Office, the Grantor shall report such filing to the Collateral Agent and the Secured Parties within five Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Collateral Agent, the Grantor shall execute and deliver any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent's and the Secured Parties' security interest in any Patent or Trademark and the goodwill and general intangibles of the Grantor relating thereto or represented thereby.

(e) Except with respect to any Patent or Trademark which the Grantor shall reasonably determine is of negligible economic benefit to it, the Grantor will take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, to maintain and pursue each grant or application.

as the case may be, (and to obtain the relevant grant or registration, as the case may be) and to maintain to the extent permitted by law each registration of the material Patents and Trademarks, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability and timely payments of annuities, as the case may be.

(f) In the event that any material Patent or Trademark included in the Collateral is infringed, misappropriated or, in the case of any Trademark, diluted by a third party, the Grantor shall promptly notify the Collateral Agent and the Secured Parties after it learns thereof and shall, unless the Grantor shall reasonably determine that such Patent or Trademark is of negligible economic value to the Grantor which determination the Grantor shall promptly report to the Collateral Agent and the Secured Parties, promptly sue for infringement, misappropriation or, in the case of any Trademark, dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution, or take such other actions as the Grantor shall reasonably deem appropriate under the circumstances to protect such Patent or Trademark. The Grantor may discontinue or settle any such suit or other action if the Grantor deems such discontinuance or settlement to be appropriate in its reasonable business judgment.

8. Remedies.

8.1 Notice to Account Debtors. Upon the request of the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, the Grantor shall notify account debtors on the Accounts that the Accounts have been assigned to the Collateral Agent for the ratable benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Collateral Agent.

8.2 Proceeds to Be Turned over to Collateral Agent. In addition to the rights of the Collateral Agent and the Secured Parties specified in subsection 5.3 with respect to payment of Accounts, if an Event of Default shall occur and be continuing, upon request of the Collateral Agent, all Proceeds received by the Grantor consisting of cash, checks and other near-cash items shall be held by the Grantor in trust for the Collateral Agent and the Secured Parties, segregated from other funds of the Grantor, and shall, forthwith upon receipt by the Grantor, be turned over to the Collateral Agent in the exact form received by the Grantor (duly indorsed by the Grantor to the Collateral Agent, if required) and held by the Collateral Agent in a Collateral Account maintained under the Intercreditor Agreement. All Proceeds while held by the Collateral Agent in a Collateral Account (or by the Grantor in trust for the Collateral Agent and the Secured parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in subsection 8.3.

8.3 Application of Proceeds. At any time after the occurrence and during the continuance of an Event of Default, the Collateral Agent shall apply all or any part of Proceeds held in any Collateral Account in payment of the Obligations, then due and payable, in accordance with the terms of the Intercreditor Agreement.

8.4 Code Remedies. If an Event of Default shall occur and be continuing, the Collateral Agent, on its behalf and on behalf of the Secured Parties, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code. Without limiting the generality of the foregoing, the Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived (to the extent permitted by applicable law)), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Collateral Agent or any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Collateral Agent or any Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Grantor, which right or equity is hereby waived or released. The Grantor further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select, whether at the Grantor's premises or elsewhere. The Collateral Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Collateral Agent and the Secured Parties hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations in accordance with the Intercreditor Agreement and only after such application and after the payment by the Collateral Agent of any other amount required by any provision of law, including, without limitation, Section 9-504(1)(c) of the Code, need the Collateral Agent account for the surplus, if any, to the Grantor. To the extent permitted by applicable law, the Grantor waives all claims, damages and demands it may acquire against the Collateral Agent or any Secured Party arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition. If the Collateral Agent exercises its remedies pursuant to this section, the Collateral Agent or any of its assignees shall honor the rights of third party licenses as provided in any Patent License or Trademark License.

8.5 Deficiency. The Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the reasonable fees and disbursements of any attorneys employed by the Collateral Agent or any Secured Party to collect such deficiency.

9. Collateral Agent's Appointment as Attorney-in-Fact; Collateral Agent's Performance of Grantor's Obligations.

9.1 Powers. The Grantor hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Grantor and in the name of the Grantor or in its own name, from time to time in the Collateral Agent's reasonable discretion, after a Default shall have occurred and be continuing, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, the Grantor hereby gives the Collateral Agent the power and right, on behalf of the Grantor, without notice to or asset by the Grantor, to do the following:

(a) in the case of any Account, at any time when the authority of the Grantor to collect the Accounts has been curtailed or terminated pursuant to paragraph 5.3(a), or in the case of any other Collateral, at any time when any Event of Default shall have occurred and is continuing, in the name of the Grantor or its own name, or otherwise, to take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Account or with respect to any other Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under any Account or with respect to any other Collateral whenever payable;

(b) in the case of any Patents or Trademarks, to execute and deliver any and all agreements, instruments, documents, and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent's and the Secured Parties' security interest in any Patent or Trademark and the goodwill (with respect to such Trademarks) and general intangibles of the Grantor relating thereto or represented thereby;

(c) to pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Agreement and to pay all or any part of the premiums therefor and the costs thereof;

(d) to execute, in connection with the sale provided for in Section 8.4 hereof, any indorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(e) upon the occurrence and during the continuance of any Event of Default and subject to the last sentence of Section 8.4, (1) to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; (2) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and

other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) to sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (5) to defend any suit, action or proceeding brought against the Grantor with respect to any Collateral; (6) to settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, to give such discharges or releases as the Collateral Agent may deem appropriate; (7) to assign any Trademark (along with the goodwill of the business to which any such Trademark pertains and with respect to any Trademark application filed based on Grantor's intention to use, to assign such Trademark and Trademark application along with that part of the ongoing and existing business to which the Trademark is connected) in the United States for such term or terms, on such conditions and in such manner, as the Collateral Agent shall in its sole discretion determine; (8) to assign any Patent in the United States for such term or terms, on such conditions, and in such manner, as the Collateral Agent shall in its sole discretion determine; and (9) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and the Grantor's expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's and the Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as the Grantor might do.

9.2 Performance by Collateral Agent of Grantor's Obligations. If the Grantor fails to perform or comply with any of its agreements contained herein, the Collateral Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

9.3 Grantor's Reimbursement Obligation. The expenses of the Collateral Agent incurred in connection with actions undertaken as provided in this Section, together with interest thereon at a rate per annum equal to 2% above the interest rate applicable to Revolving Credit Loans which are ABR Loans from the date of payment by the Collateral Agent to the date reimbursed by the Grantor, shall be payable by the Grantor to the Collateral Agent on demand.

9.4 Ratification; Power Coupled With An Interest. The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof provided, however, that nothing herein shall constitute a waiver by the Grantor of any claim for breach of contract, gross negligence or willful misconduct by or of said attorneys. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

10. Appointment of Collateral Agent; Duty of Collateral Agent.

a. The Collateral Agent has been appointed as Collateral Agent hereunder pursuant to the Intercreditor Agreement by the Administrative Agent, on behalf of the Credit Agreement Lenders and the CA Syndication Agent, and the Facility Manager, on behalf of the Term Loan Lenders and the Term Loan Syndication Agent, and shall be entitled to the benefits of the Intercreditor Agreement. The Collateral Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from taking action (including, without limitation, the release or substitution of the Collateral) in accordance with this Agreement and the Intercreditor Agreement. The Collateral Agent may resign and a successor Collateral Agent may be appointed in the manner provided in the Intercreditor Agreement. Upon the acceptance of any appointment as a Collateral Agent by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent under this Agreement, and the retiring Collateral Agent shall thereupon be discharged from its duties and obligations under this Agreement and shall deliver any Collateral in its possession to the successor Collateral Agent. After any retiring Collateral Agent's resignation, 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 Collateral Agent.

b. Notwithstanding anything in this Agreement to the contrary, as provided in the Intercreditor Agreement, the Collateral Agent shall exercise, or shall refrain from exercising, any remedy provided for in Section 8 as the Collateral Agent may be directed by instructions given by the Requisite Obligees (as defined therein) in accordance with the terms of the Intercreditor Agreement, and the Secured Parties shall be bound by such instructions.

c. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the Code or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. Neither the Collateral Agent, any Secured Party nor any of their respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Collateral Agent and the Secured Parties hereunder are solely to protect the Collateral Agent's and the Secured Parties' interests in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to the Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

11. Execution of Financing Statements. Pursuant to Section 9-402 of the Code, the Grantor authorizes the Collateral Agent to file financing statements with respect to the

Collateral without the signature of the Grantor in such form and in such filing offices as the Collateral Agent reasonably determines appropriate to perfect the security interests of the Collateral Agent under this Agreement. A carbon, photographic or other reproduction of this Agreement shall be sufficient as a financing statement for filing in any jurisdiction. The Collateral Agent agrees to provide the Grantor with a copy of any such financing statement so filed.

12. Authority of Collateral Agent. The Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Collateral Agent and any Secured Party, be governed by the Intercreditor Agreement and the Financing Agreement to which such Secured Party is a party and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Grantor, the Collateral Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and the Grantor shall be under no obligation, or entitlement, to make any inquiry respecting such authority.

13. Release of Collateral and Termination. (a) At such time as the Obligations have been paid and performed in full, the Collateral shall be released from the liens created by this Agreement, and this Agreement and the security interest created by this Agreement and all obligations of the Collateral Agent and the Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantor. Upon request of the Grantor following any such termination, the Collateral Agent will deliver (at the sole cost and expense of the Grantor) to the Grantor any Collateral held by the Collateral Agent hereunder, and execute and deliver (at the sole cost and expense of the Grantor) to the Grantor such documents as the Grantor shall reasonably request to evidence such termination in accordance with the terms of the Intercreditor Agreement.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by the Grantor in a transaction permitted by the Financing Agreements, then the Collateral Agent shall, upon the Grantor's request, execute and deliver to the Grantor (at the sole expense of the Grantor) all releases or other documents reasonably necessary for the release of the Liens created hereby on such Collateral in accordance with the terms of the Intercreditor Agreement.

14. Notices. All notices, requests and demands to or upon the Collateral Agent or the Grantor to be effective shall be in writing (or by telex, fax or similar electronic transfer confirmed in writing) and shall be deemed to have been duly given or made (a) when delivered by hand or (b) if given by mail, three days after being deposited in the mails by certified mail, return receipt requested, or (c) if by telex, fax or similar electronic transfer, when sent and receipt has been confirmed, addressed to the Collateral Agent at its address or transmission number for notices set forth on the signature page hereof or the Grantor at its

address or transmission number set forth below. The Collateral Agent and the Grantor may change their addresses and transmission numbers for notices by notice in the manner provided in this Section.

15. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

16. Amendments in Writing; No Waiver; Cumulative Remedies.

16.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Grantor and the Collateral Agent, provided that any provision of this Agreement for the benefit of the Collateral Agent and the Secured Parties may be waived by the Collateral Agent and the Secured Parties in a letter or agreement executed by the Collateral Agent or by telex or facsimile transmission from the Collateral Agent.

16.2 No Waiver by Course of Conduct. Neither the Collateral Agent nor any Secured Party shall by any act (except by a written instrument pursuant to subsection 16.1 hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Collateral Agent or any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Collateral Agent or such Secured Party would otherwise have on any future occasion.

16.3 Remedies Cumulative. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

17. Section Headings. The section and subsection headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

18. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of the Grantor and shall inure to the benefit of the Collateral Agent and the Secured Parties and their successors and assigns.

19. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the undersigned has caused this Subsidiary Security Agreement to be duly executed and delivered as of the date first above written.

CAREWELL INDUSTRIES, INC.

By Michael F. Goss

Title Executive Vice President

Address for Notices:

300 Nyala Farms Road
Westport, Connecticut 06880
Attention: Michael F. Goss
Telecopy: (203) 341-4260

WELLS FARGO BANK, N.A., As Collateral Agent

By _____

Title _____

Address for Notices:

Wells Fargo Bank
1445 Ross Avenue, Suite 400
Dallas, Texas 75202
Attention: Todd Robichaux
Telecopy: (214) 777-4044

19. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the undersigned has caused this Subsidiary Security Agreement to be duly executed and delivered as of the date first above written.

CAREWELL INDUSTRIES, INC.

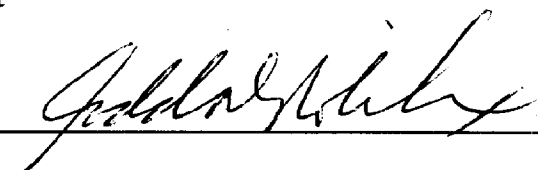
By _____

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Address for Notices:

300 Nyala Farms Road
Westport, Connecticut 06880
Attention: Michael F. Goss
Telecopy: (203) 341-4260

WELLS FARGO BANK, N.A., As Collateral Agent

By  _____
Title Vice President

Address for Notices:

Wells Fargo Bank
1445 Ross Avenue, Suite 400
Dallas, Texas 75202
Attention: Todd Robichaux
Telecopy: (214) 777-4044

SCHEDULE 1

Patents and Patent Licenses

None.

SCHEDULE 2

Trademarks and Trademark Licenses

1) U.S. Trademark Registrations:

<u>TRADEMARK</u>	<u>REG. NO.</u>	<u>REG. DATE</u>
Dentax	1,593,080	4/14/90
Dentax	A530,910	3/19/90
Dentax	1,576,034	5/20/93
Dentax	2,447,488	8/31/96
Dentax	2,104,218	10/7/97
Because Your Smile Deserves Custom Care	1,988,424	7/23/96
Spring Clean - word	2,037,951	2/11/97
Spring Clean - logo	2,053,628	4/15/97
Clean Stream	2,007,049	10/8/96
White Cloud	2,070,125	6/10/97

2) U.S. Trademark Applications:

<u>TRADEMARK</u>	<u>SERIAL NO.</u>	<u>DATE FILED</u>
Dentax	74/430,206	8/30/93
Spring Clean	74/560,398	8/12/94
Spring Clean & Design	74/613,024	12/20/94
Spring Clean - word	776,121	2/22/95
Spring Clean - logo	776,120	2/22/95
Innovations in Oral Care	74/662,785	1/18/95
White Cloud	74/430,205	8/30/93
White Cloud	082,591	4/2/96
White Cloud	430,207	8/30/93
WIPO	74/530,126	5/26/94
Micro Tip	274,344	4/14/97
Micro Bristle	274,343	4/14/97

SCHEDULE 3

UCC Filings -- Liens

1. Jurisdiction of incorporation - New York
2. Principal place of business - Westport, Connecticut
3. Other locations - Boca Raton, Florida
4. Tennessee
5. Illinois

SCHEDULE 4

Inventory Locations

1. 526 NW 77th St.
Building 203
Boca Raton, Florida

ANNEX A

Trademarks and Trademark Licenses

1) U.S. Trademark Registrations:

<u>TRADEMARK</u>	<u>REG. NO.</u>	<u>REG. DATE</u>
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Because Your Smile Deserves Custom Care	1,988,424	7/23/96
Spring Clean - word	2,037,951	2/11/97
Spring Clean - logo	2,053,628	4/15/97
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Spring Clean - logo	776,120	2/22/95
Innovations in Oral Care	74/662,785	1/18/95
White Cloud	74/430,205	8/30/93
White Cloud	082,591	4/2/96
White Cloud	430,207	8/30/93
WIPO	74/530,126	5/26/94
Micro Tip	274,344	4/14/97
Micro Bristle	274,343	4/14/97