

06-03-1999

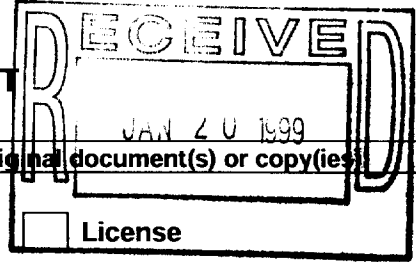
FORM PTO-1618A  
Expires 06/30/99  
OMB 0651-0027

U.S. Department of Commerce  
Patent and Trademark Office  
TRADEMARK



101023344

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY



TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies)

Submission Type

1-20-99

- New
- Resubmission (Non-Recordation)  
Document ID # \_\_\_\_\_
- Correction of PTO Error  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_
- Corrective Document  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_

Conveyance Type

- Assignment
- Security Agreement
- Merger
- Change of Name
- Other \_\_\_\_\_
- License
- Nunc Pro Tunc Assignment  
Effective Date  
Month Day Year  
\_\_\_\_\_

Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year  
11 25 98

Name Saven Corporation

Formerly \_\_\_\_\_

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other \_\_\_\_\_
- Citizenship/State of Incorporation/Organization Michigan corporation

Receiving Party

Mark if additional names of receiving parties attached

Name Corey Brothers, Inc.

DBA/AKA/TA \_\_\_\_\_

Composed of \_\_\_\_\_

Address (line 1) 1410 Lewis Street

Address (line 2) \_\_\_\_\_

Address (line 3)

Charleston

City

WV

State/Country

25301

Zip Code

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other \_\_\_\_\_

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

- Citizenship/State of Incorporation/Organization West Virginia corporation

03/26/1999 DNGUYEN 00000117 1636261

FOR OFFICE USE ONLY

01 FC:481 40.00 OP  
02 FC:482 125.00 OP

190E  
NO SPEC  
Fee

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231  
TRADEMARK

REEL: 1873 FRAME: 0114

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

#

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

**Trademark Application Number(s)**

**Registration Number(s)**

**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

**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. Charges to deposit account are authorized, as indicated herein.

Richard G. Corey, President  
Saven Corporation



11/25/98

Name of Person Signing

Signature

Date Signed

**LINE OF CREDIT AND SECURITY AGREEMENT**

**THIS LINE OF CREDIT AND SECURITY AGREEMENT**, dated the 25<sup>th</sup> day of November, 1998 by and between **SAVEN CORPORATION**, (“Borrower”), a Michigan corporation, and **COREY BROTHERS, INC.**, (“Lender”), a West Virginia corporation.

**WHEREAS**, Lender has agreed that it shall consider and, at Lender’s discretion, make loans to Borrower in an amount not to exceed \$4,000,000 which loans will be evidenced by a promissory note payable to Lender; and

**WHEREAS**, the parties have agreed that the loans shall be upon the terms and conditions contained in this Agreement.

**NOW, THEREFORE**, for and in good consideration, the receipt of which is hereby acknowledged, the parties agree and acknowledge as follows:

1. **Loans**. Lender agrees on the terms and conditions hereinafter set forth, to consider requests by Borrower to make loans to Borrower, and at Lender’s discretion, to make such loans to Borrower from time to time through May 31, 1999; provided, however that the principal aggregate amount of all such loans outstanding at any time shall not exceed \$4,000,000.00 (the “Loan Commitment”). Borrower agrees to pay Lender all loans plus interest in accordance with the terms and conditions of a promissory note of even date herewith. Borrower shall not have any right to reborrow any amounts of principal loaned by Lender and repaid by Borrower. Lender hereby reserves the right upon written notice to Borrower to (i) cancel Lender’s obligation to make any

additional loans to Borrower hereunder (ii) to reduce the Loan Commitment, and/or (iii) require the payment of all or any portion of the amounts outstanding or drawn by Borrower under the line of credit. In addition, Borrower shall be required to "clean up" any outstanding borrowings drawn under this Agreement by paying out the same for a period of not less than thirty (30) consecutive days prior to the stated maturity date of the Note (October 31, 1999).

2. **Promissory Note.** All loans made by Lender under this Agreement shall be evidenced by, and repaid with interest in accordance with, a single promissory note of Borrower in the principal amount of Four Million Dollars (\$4,000,000) dated as of the date of this Agreement, payable to Lender upon the earlier of demand or October 31, 1999, (the "Note") in the form of Exhibit A attached hereto and incorporated herein by reference. The Note requires quarterly payments of interest beginning as of December 31, 1999 and continuing on the same day of each third month thereafter.

3. **Manner and Notice of Requesting Loans.** Borrower shall give Lender not less than two (2) business days written, telephone, or facsimile notice that Borrower requests a loan specifying the date and amount of the requested loan. Lender shall consider the request, and at Lender's sole discretion, Lender shall determine whether or not to make the requested loan. If Lender decides not to make the requested Loan, Lender shall give written, telephone, or facsimile notice thereof to Borrower not more than two (2) business days after receiving Borrower's request for the loan.

4. **Security Interest.** As security for the Note and all amounts and obligations due under this Agreement, and all costs and expenses incurred by Lender in the collection and enforcement of the Note and of this Agreement, including any renewal, extension or refinancing of the Note or this Agreement, and all other amounts and obligations owed by Borrower to Lender

under any other agreement or arrangement, Borrower hereby grants Lender a security interest in all of the following property:

(a) All assets and property of the Borrower, regardless of their location, now owned or at any time hereafter acquired by Borrower, of every nature and description, including but not limited to: all goods; all equipment; all materials; all furnishings; all accounts; all chattel paper; all documents; all instruments; all money; all bank accounts; all security deposits; all claims to rebates, refunds or abatements of real estate taxes or any other taxes; all permits and licenses; all signs, brochures and advertising; all machinery; all appliances; all furniture; all fixtures; all supplies; all accounts receivable; all inventory; all contract rights; all goodwill; all awards; all leases. all rights of Borrower under any contract; and all general intangibles of the Borrower; and

(b) All existing and after acquired trademarks, trade names, and copyrights of the Borrower, and all of Borrower's rights therein, including but not limited to the trademarks, trade names and copyrights listed on Exhibit B attached hereto and incorporated herein by reference; and

(c) All records and data relating to any of the property described in this Paragraph, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Borrower's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media, now owned or hereafter acquired; and

(d) All replacements of any of the foregoing, all attachments, accessories and parts belonging thereto, or for use in connection therewith, all proceeds and products thereof, substitutions, repairs and improvements now or hereafter placed thereon or added thereto, or made in connection therewith, and the benefits and proceeds payable under insurance policies for all of

such collateral, including the return of unearned insurance policy premiums, now owned or hereafter acquired.

All of the aforementioned property being hereinafter referred to as the "Collateral".

5. **Loan Origination Fee.** At Closing, Borrower will pay to Lender a loan origination fee of \$\_\_\_\_\_.

6. **Overline Payments.** If at any time the amount of all loans advanced by Lender to Borrower hereunder should exceed the Loan Commitment, Lender shall promptly notify the Borrower of the overline status of this Agreement. Borrower shall have ten (10) days in which to pay to Lender the amount necessary to reduce the total amount of all loans outstanding hereunder to an amount below the Loan Commitment.

7. **Condition to Initial Loan.** Prior to Lender making any loan to Borrower hereunder, Borrower shall provide to Lender with satisfactory evidence of sales or pending orders for not less than 75% of total finished production units anticipated for delivery to Borrower in connection with its agricultural import program.

8. **Lender's Loan Commitment from Bank One, West Virginia, N.A.** Borrower acknowledges that the funds with which Lender shall make loans to Borrower hereunder will be obtained from a financing commitment extended by Bank One, West Virginia, N.A. ("Bank One") to Lender. Borrower further acknowledges that it is anticipated that Lender will assign to Bank One all of Lender's right, title and interest in the Note and Borrower's accounts receivable as security for the Bank One financing commitment and upon such assignment Bank One shall be entitled to all rights and privileges of Lender with respect thereto. Borrower hereby consents to the foregoing assignment. Borrower agrees to cooperate with Lender to the fullest extent necessary to assure

compliance with the terms and conditions of the Bank One financing.

9. **No Other Liens.** Borrower agrees that it will not pledge, encumber, hypothecate, grant a security interest in or otherwise permit a lien, attachment, judgment for benefit of any creditor or other lender in connection with any business asset.

10. **Ancillary Agreements.** Contemporaneously with the date of this Agreement, the following has been accomplished:

(a) Borrower has executed and delivered to Lender the Note;

(b) Borrower has executed and delivered to Lender all financing statements necessary to perfect the security interests granted to Lender in a form acceptable to counsel for Lender and Borrower will pay all fees required for filing the same; and

(c) Borrower has delivered to Lender a copy of its corporate resolutions authorizing Borrower to execute and deliver this Agreement and to carry out the transactions contemplated by this Agreement, in form and substance acceptable to counsel for Lender.

11. **Representations, Covenants and Warranties of Borrower.** Borrower hereby represents, covenants and warrants that as of the date hereof and as of each date on which Borrower requests the Lender to make a loan hereunder that:

(a) Borrower is a corporation duly organized and existing under the laws of the State of Michigan and is duly qualified and in good standing therein and in every other state or jurisdiction in which it does business.

(b) The execution, delivery and performance of this Agreement are all within Borrower's powers and have been duly authorized by all necessary corporate action.

(c) Borrower has good and marketable title to the Collateral free of all liens,

security interests, encumbrances or charges of any nature whatsoever, except for the security interests granted to Lender herein or to Bank One.

(d) Borrower's chief place of business in Michigan is at Suite 105, 29501 Greenfield Road, Southfield, MI 48076 and in West Virginia at 1410 Lewis Street, Charleston, W. Va. 25321.

(e) The terms of this Line of Credit and Security Agreement and the consummation of the transactions contemplated herein will not conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under Borrower's articles of incorporation, bylaws, or any note, indenture, mortgage, deed of trust or other agreement or instrument to which Borrower is a party or by which it is bound, or any existing law, order, rule, regulation, writ, injunction or decree of any government, governmental instrumentality, agency, body or court having jurisdiction over Borrower or any of Borrower's property.

(f) This Agreement, the Note and all other agreements executed in connection herewith when delivered will be legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms.

(g) There are no material suits, actions, arbitrations or legal or administrative or other proceedings or governmental investigations or inquiries pending or to the best of Borrower's knowledge threatened, against or affecting Borrower, the Collateral, the Note or the transactions contemplated hereby or to which Borrower is a party or a participant.

(h) All tax reports or returns required by law or regulation have been duly filed and all taxes due pursuant thereto have been paid by Borrower.

(i) All of the outstanding accounts receivable and work in progress of Borrower



reflected in its financial statements, and all outstanding accounts receivable and work in progress reflected on the books and records of Borrower since that date are, in the case of receivables, generated by bona fide sales to actual customers, and in the case of work in progress, have been created pursuant to bona fide orders from actual customers.

(j) As of the time any accounts receivable are created and become subject to the security interest granted to Lender hereunder, Borrower shall be deemed to have warranted that each and all such receivables and all papers and documents relating thereto are genuine and in all respects what they purport to be; that each and all such receivables are valid and subsisting and arise out of a bona fide sale of goods sold and delivered by Borrower to, or in the process of being delivered to, or out of and for services theretofore actually rendered by Borrower to the obligor or obligors on each and all such receivables; that the amount represented as owing on each and all such receivables is the correct amount actually and unconditionally owing thereon and is not disputed, and, except for penalties customarily imposed as a result of the quality of the produce sold or adjustments made after produce has been actually weighed, is not subject to any set-offs, credits, deductions or countercharges; that Borrower is the owner of each and all such receivables free and clear of all liens, encumbrances and security interests of any nature whatsoever excepting only the security interest of Lender; and that no surety bond was required or given in connection with each and all such receivables or the transaction out of which the same arose.

(k) None of the information relating to Borrower or otherwise disclosed in writing or orally to Lender in connection with the transactions contemplated hereby, contain any untrue statement of fact or omit to state any fact necessary in order to have made the statement therein, in light of the circumstances under which they were made, not misleading, and which in the aggregate

would be materially misleading with respect to such assets and the operations and conditions of Borrower.

12. **Affirmative Covenants.** So long as any amount due under this Agreement is outstanding or Lender has any commitment under this Agreement, Borrower will:

(a) Furnish to Lender (i) as soon as practicable and in any event within ninety (90) days after the end of each fiscal year of Borrower, the balance sheet and statement of earnings and changes in financial position for the year then ended, compiled, in accordance with generally accepted accounting principles, by an accountant satisfactory to Lender and including a listing of all outstanding debts of Borrower with current maturities and collateral and all contingent liabilities, and stating that on the basis of such review it is not aware of any event of default hereunder on the date of such review and that no condition then exists which with or without the giving of notice or the passage of time, or both, would constitute such an event of default; (ii) on a monthly basis, current financial statements for Borrower; (iii) promptly upon receipt thereof, copies of all reports submitted to Borrower by an accountant (satisfactory to Lender) in connection with each annual review, and (iv) with reasonable promptness, such other reports data, and financial information as Lender may reasonably request;

(b) Continuously throughout the term of this Agreement, at Borrower's sole cost and expense, take such actions as shall be reasonable and appropriate to collect all accounts receivable due Borrower as and when the same are due and to enforce and realize upon any and all security which Borrower may hold for such accounts receivable;

(c) Preserve and maintain its corporate existence and good standing and shall remain qualified in Michigan and in every other state or jurisdiction in which it conducts business;

(d) Keep and maintain adequate books and records which accurately reflect all financial transactions of Borrower;

(e) Maintain, keep and preserve all of its properties, including the Collateral, necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted;

(f) Maintain insurance on its properties, including the Collateral, and on its business operations with sound and reputable insurance companies against the usual and normal hazards and liabilities with sufficient coverage. A list of all insurance policies maintained by Borrower, the coverage thereof including the type of insurance, limits of liability, the insurer and date of expiration thereof shall be provided to Lender upon Lender's request. Borrower shall provide Lender with full access during normal business hours to all such insurance policies;

(g) Comply in all respects with applicable laws, rules, regulations and orders, including without limitation, paying before the same become delinquent, all taxes, assessments and governmental charges imposed upon Borrower or its properties, unless Borrower is contesting same in good faith and has funded an adequate reserve to protect against the possibility that such contest will not prevail;

(h) Maintain all necessary permits, licenses, authorizations and other governmental approvals to operate and conduct its business;

(i) Promptly give Lender written notice of all actions, suits, proceedings, arbitrations, or governmental investigations or inquiries affecting Borrower or to which Borrower is a party or participant and shall promptly furnish Lender with a copy of all papers and documents relating thereto;

(j) Promptly notify Lender if Borrower acquires or opens a place of business or moves any substantial part of its assets or property or any of such records to any location other than the addresses set forth in Paragraph 11(d) above and regardless of where such assets, property and records are kept, it is understood and agreed that Lender will at all times have and retain a security interest in all such assets, property and accounts receivables;

(k) Keep substantially all of Borrower's accounts receivable now and hereafter acquired at 1410 Lewis Street, Charleston, West Virginia and keep all records concerning accounts receivables now existing and hereafter acquired at such address;

(l) Keep the Collateral free of all liens and encumbrances;

(m) Accept for delivery only produce and agricultural products which have passed all certifications, customers inspection, licensing, etc. for sale in the United States, F.O.B. transport carrier and shall maintain adequate maritime and perishable goods insurance during overseas transportation; and

(n) Execute such further documents as Lender may request in order to evidence and perfect Lender's security interest in any of the Collateral, including, specifically, executing such assignments of any trademark, trade name or copyright in any office, domestic or foreign, in which such trademark, trade name or copyright may be registered.

**13. Negative Covenants.** Borrower covenants and agrees that as long as this Agreement is in effect and as long as any loan is outstanding, Borrower will not, without the prior written consent of Lender:

(a) Merge or consolidate with any other entity or reclassify or sell any of its capital stock;

(b) Sell, transfer, lease, pledge, mortgage, encumber, convey or assign any of

Borrower's assets, other than in the ordinary course of Borrower's business; or

(c) Increase Borrower's authorized capital stock or issue to any person or entity

any authorized capital stock which, as of the date of this Agreement is not then outstanding.

**14. Lender's Right of Inspection.** For the purpose of verifying information furnished to Lender by Borrower, and to otherwise assure itself that the Note is not in jeopardy, Lender or its designee shall have the right at any time, upon request, to inspect, during reasonable business hours, any of the business properties or premises of Borrower and all books and records of Borrower.

**15. Further Assurances.** Borrower agrees to execute from time to time such further instruments and to do such further acts and things that Lender may reasonably require to effectuate the terms of this Agreement and the intent of the parties.

**16. Events of Default; Acceleration.** The occurrence of any of the following shall constitute an event of default:

(a) Failure to pay as and when due any amount due on the Note or under this Agreement, including any amount necessary to reduce all outstanding loans to below the Loan Commitment;

(b) Any representation or warranty made to Lender herein shall prove, in a material respect in the reasonable opinion of Lender, to have been false on the date as of which made;

(c) Borrower defaults in the performance of any of the covenants, conditions or agreements contained in this Agreement or any other agreements executed with Lender in connection with the loan;

(d) Lender's financing with Bank One, West Virginia, N.A. has been terminated and Bank One, West Virginia, N.A. has accelerated and demanded payment of all or any portion of the amounts advanced to Lender under said financing.

(e) There shall be filed by or against Borrower, in any court pursuant to any statute either of the United States or of any State, a petition or motion (i) in bankruptcy, (ii) alleging insolvency, (iii) for reorganization, (iv) for the appointment of a trustee or receiver, (v) for an arrangement under the Bankruptcy Code, or if a similar type of proceeding shall be filed or (vi) for conversion to a proceeding under Chapter 7 of the Bankruptcy Code;

(f) Either Richard G. Corey or Robert D. Corey shall cease to be a director of Saven Corporation; or

(g) Corey Brothers, Inc. shall cease to own at least fifty percent (50%) of all of the outstanding common stock of Saven Corporation.

**17. Rights and Remedies on Default.** Upon the occurrence of any event of default hereunder, or at any time thereafter, the unpaid balance of the Note, including any accrued interest, and any other indebtedness of Borrower to Lender hereunder, however evidenced shall, at the option of Lender, be due and payable without notice or demand and Lender shall be released from all obligations to make any additional loans to Borrower hereunder. Lender shall have all of the rights and remedies provided under West Virginia law, in addition to the rights and remedies provided herein or in any other instrument or document executed by Borrower. Borrower agrees to pay to Lender on demand any and all expenses, including reasonable attorney's fees, incurred or paid by Lender in protecting or enforcing the obligation of Borrower or any guarantor.

**18. Collection of Accounts Receivable.** Upon the occurrence of an event of default,

Lender shall have the right to collect all accounts receivable owed to Borrower and deposit said collections in a special account established by Lender (the "lock box account"). At Lender's request, Borrower shall notify all customers and other account debtors that payment of all account receivables should be made directly to Lender at 1410 Lewis Street, Charleston, West Virginia, or such other address as Lender shall designate, or by wire transfer to the lock box account. Lender shall apply the amounts deposited in the lock box account first to accrued interest and then to the unpaid principal balance due under the Note. Any excess funds in the lock box account shall be deposited or wire transferred to the Borrower's account. All deposits in the lock box account shall be subject to collection by Lender before any credit is made on the Note or excess funds are delivered to Borrower. Borrower shall have the right, at any time, to inquire to Lender or to the financial institution with whom the lock box account is maintained, as to the balance of the lock box account. If Borrower receives payment of any accounts receivable, Borrower shall, after being notified to do so by Lender, immediately forward such accounts receivable to Lender for deposit in the lock box account. Lender shall have the right to endorse the name of Borrower on all commercial paper given in payment or in part payment of any account receivable.

**19. Power of Attorney.** Borrower hereby appoints Lender as Borrower's attorney-in-fact, with full power of substitution, to take such actions (on behalf of and in the name of Borrower) as the Lender in its sole and absolute discretion, may deem necessary or desirable to effectuate the terms of this Agreement and Borrower's obligations hereunder. This power of attorney, being coupled with an interest, shall be irrevocable until the Note and all amounts due under this Agreement have been paid in full. Such power of attorney is provided solely to protect the interests of the Lender. Lender, acting as attorney-in-fact shall not be liable for any act, omission, error in

judgment or mistake of law, except as the same may result from its gross negligence or wilful misconduct.

**20. Payment of Legal Fees.** Borrower shall pay all legal fees and expenses incurred by Lender incident to the preparation and review of all loan documents and all legal fees and expenses incurred by Lender in the execution, enforcement, modification and collection of this Agreement or in connection with the loans made pursuant to this Agreement and the Note. In addition, Borrower shall pay all legal fees and expenses incurred by Lender or which Lender is obligated to pay under the loan documents executed in connection with the Bank One financing, including, but not limited to all legal fees and expenses incurred incident to the preparation and review of the Bank One loan documents and all legal fees and expenses incurred in connection with the execution, enforcement, modification and collection of the loans made by Bank One to Corey Brothers, Inc. All such amounts shall be secured by the Collateral.

**21. Cancellation of December 9, 1997 Line of Credit.** This Agreement replaces and supersedes all prior financing commitments made by Lender to Borrower, including specifically the December 9, 1997 Line of Credit and Security Agreement.

**22. Waiver.** The waiver by any party of any breach of any term or condition of this Agreement or the failure to enforce any provision hereto shall not operate as a waiver of any other provision, nor shall it constitute or be deemed a waiver or release of any other rights, in law or in equity, or claims which any party may have against any other party for anything arising out of, connected with, or based upon this Agreement.

**23. Notices.** Any and all notices hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or mailed by certified mail, postage pre-paid to the



address below or as otherwise designated in writing by any party.

If to Lender: Corey Brothers, Inc.  
1410 Lewis Street  
Charleston, WV 25301

With a Copy to: David K. Higgins, Esq.  
P.O. Box 1791  
Charleston, WV 25326

If to Borrower: Saven Corporation  
1410 Lewis Street  
Charleston, WV 25301

**24. Payment of Borrower's Obligations.** In the event Borrower fails to pay or perform any of its obligations to any other party which failure jeopardizes repayment to Lender hereunder or the Collateral securing the Note, Lender may, in its sole discretion, pay or perform said obligations on Borrower's behalf and Borrower shall reimburse Lender on demand for all sums so expended together with interest thereon at the rate applicable to the Note plus two percent (2%) from the date of payment thereof by Lender until so reimbursed by Borrower.

**25. Survival of Agreement.** All agreements, covenants, representations and warranties made herein shall survive execution of the Note and shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

**26. Entire Agreement.** This Agreement contains the entire understanding of the parties and may not be modified other than by an agreement in writing signed by each of the parties hereto.


**27. Governing Law.** This Agreement and all other agreements relating hereto shall be governed by and construed in accordance with the laws of the State of West Virginia.

**28. Titles.** Titles of paragraphs contained in this Agreement are inserted for convenience


of reference only; they neither form a part of this Agreement nor are they to be used in the construction or interpretation thereof.

**IN WITNESS WHEREOF**, the parties have signed this Agreement effective as of the date first written above.

**SAVEN CORPORATION**

  
Richard G. Corey, President

**COREY BROTHERS, INC.**

  
Richard G. Corey  
Vice President-Operations

**PROMISSORY NOTE**

**FOR VALUE RECEIVED, SAVEN CORPORATION**, a Michigan corporation (the "Borrower"), hereby promises to pay to the order of **COREY BROTHERS, INC.**, a West Virginia corporation, (the "Lender"), on demand, the principal amount of Four Million Dollars (\$4,000,000), or the aggregate unpaid principal amount of all loans made to the Borrower by the Lender pursuant to the Line of Credit and Security Agreement of even date herewith, whichever is less, plus interest on the unpaid principal amount of this Note or the aggregate unpaid principal amount of all said loans, whichever is less, at a rate equal to two percent (2%) above the last rate publicly announced, or published from time to time, by Bank One, West Virginia, N.A., as its prime lending rate. Any change in the interest rate hereunder resulting from a change in the Bank One, West Virginia, N.A., rate shall be effective at the beginning of the day on which such change in the Bank One, West Virginia, N.A. interest becomes effective and shall apply to the outstanding principal balance of this Note.

Interest is due and payable beginning on December 31, 1998, and on the last day of each third month thereafter during the term of this Note until the principal balance is paid in full. Interest shall be calculated on the basis of a 365/360 day year. Unless demand for payment is made before, this Note shall be due and payable in full on October 31, 1999. All payments shall be due at 1410 Lewis Street, Charleston, West Virginia 25301 or such other address as Lender may notify Borrower.

The books and records of Lender shall be prima facie evidence of all outstanding principal of and accrued but unpaid interest on this Note.

Borrower may prepay this Note in whole or in part at any time. Any payment in excess of the amount then due will be applied first to any interest that is due and then to the unpaid principal balance of this Note.

The Line of Credit and Security Agreement, among other things, contains provisions for the acceleration of the maturity of this Note upon the happening of certain stated events, as well as provisions requiring the mandatory prepayment, in whole or part, of amounts due under this Note, all upon the terms and conditions specified in the Line of Credit and Security Agreement, the terms and conditions of which are incorporated herein by reference.

Borrower hereby agrees to pay all costs of collection, including reasonable attorney's fees, if this Note is not paid when due and the same is given to any attorney for collection, whether or not civil action is instituted.

Borrower hereby waives its right to presentment, notice of dishonor and protest. This Note is binding upon Borrower and anyone who succeeds to its interest in the Note.

**SAVEN CORPORATION**

---

Richard G. Corey, President

**ATTEST:**

---

Robert D. Corey, Secretary

**ALLONGE**

Pay to the order of Bank One, West Virginia, NA, with recourse, all right, title and interest  
herewith this 25<sup>th</sup> day of November, 1998.

**COREY BROTHERS, INC.**

By: \_\_\_\_\_  
Richard G. Corey  
Vice President of Operations

# SAVEN CORPORATION TRADEMARKS

## **I. Registered Trademarks**

Saven Corporation has secured registration of the following trademarks:

<u>Country</u>	<u>Mark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
United States	OSO Sweet	1,636,261	Feb. 26, 1991
United States	OSO Sweets	1,966,543	Apr. 9, 1996
United States	OSO Sweet, World's Premier Sweet Onions, and Design	1,992,643	Aug. 13, 1996
United States	OSO Sweets, Worlds Premier Sweet Onions, and Design	2,070,302	June 10, 1997
United States	Design (South American man with llama)	2,120,413	Dec. 9, 1997
United States	OSO Sweet Onions, World's Premier Sweet Onions, and Design	2,186,268	Sept. 1, 1998
Fed. Rep. of Germany	OSO Sweet	395 43 892	Aug. 1, 1996
Benelux	OSO Sweet	576131	June, 1996
United Kingdom	OSO Sweet Onions, World's Premier Sweet Onions, and Design	2071042	May 9, 1996
Norway	OSO Sweet	182318	May 29, 1997

**EXHIBIT B**

**TRADEMARK  
REEL: 1873 FRAME: 0135**

<u>County</u>	<u>Mark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
European Community Trademark <sup>1</sup>	OSO Sweet	000264861	May 12, 1998

## II. Pending Trademark Applications

Saven Corporation has submitted the following trademark applications which are currently pending. As available, filing information is attached.

<u>Country</u>	<u>Mark</u>	<u>Number</u>
Japan	OSO Sweet	App. No. HEI 9-158570
South Africa	OSO Sweet	App. No. 97/17176

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<sup>1</sup> The European Community Trademark provides trademark protection in the following countries: United Kingdom, Ireland, Germany, France, Benelux (Belgium, Luxemburg and Holland/The Netherlands), Spain, Portugal, Italy, Greece, Sweden, Finland, Denmark and Austria.