

04-13-1999

FORM PTO-1594

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)
Tab settings =>=>=



101007895

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

3-26-99

1. Name of conveying party(ies):
**UNITED STATES MANUFACTURING
COMPANY, LLC**
180 North San Gabriel Blvd.
Pasadena, CA 91107

- Individuals(s)
- General Partnership
- Corporation-State
- limited liability company - Delaware
- Association
- Limited Partnership

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

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: **March 23, 1999**



2. Name and address of receiving party(ies)
Name: **IMPERIAL BANK**
Internal Address:
Street Address: **695 Town Center Drive**
City: **Costa Mesa** State: **CA** ZIP: **92626**

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State **California**
- Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

4. Application number(s): **03-26-1999**
A. Trademark Application No.(s) U.S. Patent & TMO/TM Mail Rpt Dt. #01 Trademark Registration No.(s)

AIR CAM (Reg. 1,903,484)

Additional numbers attached? No Yes

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: **Tammy Long**
Buchalter, Nemer, Fields & Younger
Internal Address: _____
Street Address: **601 South Figueroa Street, 24th Floor**
City: **Los Angeles** State: **California** ZIP: **90017**

6. Total number of applications and registrations involved: 26

7. Total fee (37 CFR 3.41) **\$ 665⁰⁰**
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: **20-0052**
(Attach duplicate copy of this page if paying by deposit account)

04/12/1999 JSH/RAZZ 00000636 200052 1903484

01 FC:481 40.00 CH
02 FC:482 625.00 CH

DO NOT USE THIS SPACE

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.

Tammy Long
Name of Person Signing
Christine E Wilson
Signature
Tammy Long
Date: **March 23, 1999**

Total number of pages including cover sheet, attachments, and document: 19

Attachment 4B

Trademark Registration Nos.

1903484
1229513
1940361
1715400
1498507
1681077
1573132
1646753
1321992
1999416
1723541
1568190
1234471
932357
1882895
1255980
1704769
2142774
1759~~706~~
1198581
1131703
1,480,688

Attachment 4A

Trademark Application Nos.

75/079529
75/527594
75/386168
75/361,410

PATENT AND TRADEMARK SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (as may be amended from time to time, this "Agreement"), dated as of March 23, 1999, is entered into between UNITED STATES MANUFACTURING COMPANY, LLC, a Delaware limited liability company ("Debtor"), and IMPERIAL BANK, a California banking corporation ("Secured Party"), with reference to the following facts:

RECITALS

A. Debtor, OPMC Acquisition Corp., a California corporation (collectively, "Borrowers") and Secured Party are contemporaneously herewith entering into the Loan Agreement, pursuant to which Secured Party will be extending certain financial accommodations to Borrowers.

B. In order to further induce Secured Party to enter into the Loan Agreement and in consideration thereof, Debtor has agreed to execute and deliver to Secured Party this Agreement, securing the payment of performance of the Secured Obligations.

NOW THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereinafter set forth and for other good and valuable consideration, the parties hereto mutually agree as follows:

AGREEMENT

1. Definitions and Construction.

(a) Definitions. All initially capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement. In addition, the following terms, as used in this Agreement, have the following meanings:

"Bankruptcy Code" means The Bankruptcy Reform Act of 1978 (Pub. L. No. 95-598; 11 U.S.C.), as amended or supplemented from time to time, or any successor statute, and any and all rules and regulations issued or promulgated in connection therewith.

"Code" means the California Uniform Commercial Code, as amended and supplemented from time to time, and any successor statute.

"Collateral" means:

(i) Each of the trademarks and rights and interests which are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers and applications pertaining thereto), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Debtor, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(ii) Each of the patents and patent applications which are presently, or in the future may be, owned, issued, acquired, or used (whether pursuant to a license or otherwise) by Debtor, in whole or in part, and all patent rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), foreign filing rights, and rights to extend such patents and patent rights;

(iii) All of Debtor's right, title, and interest, in and to the patents and patent applications listed on Schedule A, attached hereto, as the same may be updated hereafter from time to time;

(iv) All of Debtor's right, title, and interest, in and to the trademarks and trademark registrations listed on Schedule B, attached hereto, as the same may be updated hereafter from time to time;

(v) All of Debtor's right, title and interest, in all patentable inventions, together with the right to file applications for patents under federal patent law or regulation of any foreign country, and to request re-examination and/or re-issue of the patents, the right (without obligation) to sue or bring interference proceedings in the name of Debtor or in the name of Secured Party for past, present, and future infringements of the patents, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(vi) All of Debtor's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Debtor or in the name of Secured Party for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country, and the associated goodwill;

(vii) All general intangibles relating to the foregoing; and

(viii) All proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

"Event of Default" shall have the meaning set forth in Section 11 herein.

"Loan Agreement" means that certain Term Loan and Revolving Credit Agreement, dated as of even date herewith, among Borrowers and Bank, as the same may be amended or restated from time to time in accordance with its terms.

"Secured Obligations" has the meaning of "Obligations" under the Loan Agreement and also means the obligations of Debtor under this Agreement.

(b) Construction. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, and the term "including" is not limiting. The words "hereof," "herein," "hereby," "hereunder," and other similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement. Any initially capitalized terms used but not defined herein shall have the meaning set forth in the Loan Agreement. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Secured Party or Debtor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by Debtor, Secured Party, and their respective counsel, and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of Secured Party and Debtor.

2. Grant of Security Interest. Debtor hereby grants to Secured Party a first-priority security interest in, and conditionally assigns, but does not transfer title, to Secured Party, all of Debtor's right, title, and interest in and to the Collateral to secure the payment and performance of the Secured Obligations.

3. Further Assurances.

(a) Debtor agrees that from time to time, at the expense of Debtor, Debtor will, subject to any prior licenses, encumbrances and restrictions and prospective licenses, encumbrances and restrictions permitted hereunder, promptly make, execute, acknowledge and deliver, and file and record in the proper filing and recording places (but with respect to foreign patents and trademarks, Debtor shall solely be required to use its best efforts, consistent with reasonable business judgment, to do the same), all instruments and documents, and take all further action, that may be necessary or desirable, or that Secured

Party may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, Debtor will: (i) at the request of Secured Party, mark conspicuously each of its records pertaining to the Collateral with a legend, in form and substance satisfactory to Secured Party, indicating that such Collateral is subject to the security interest granted hereby; (ii) execute and file such financing or continuation statements, or amendments thereto, and such other instrument or notices, as may be necessary or desirable, or as Secured Party may reasonably request, in order to perfect and preserve the security interests granted or purported to be granted hereby; (iii) at any reasonable time during normal business hours, upon demand by Secured Party, allow inspection of the Collateral by Secured Party, or persons designated by Secured Party; and (iv) appear in and defend any action or proceeding that may affect Debtor's title to or Secured Party's security interest in the Collateral.

(b) Debtor will furnish to Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Secured Party may reasonably request.

4. Representations, Warranties and Covenants. Debtor hereby represents, warrants, and covenants that:

(a) a true and complete schedule setting forth all patent and patent applications owned or controlled by Debtor or licensed to Debtor, together with a summary description and full information in respect of the filing or issuance thereof is set forth on Schedule A;

(b) a true and complete schedule setting forth all federal and state trademark registrations owned or controlled by Debtor or licensed to Debtor, together with a summary description and full information in respect of the filing or issuance thereof is set forth on Schedule B;

(c) each of the patents, trademarks, and trademark registrations is valid and enforceable, and Debtor is not presently aware of any past, present, or prospective claim by any third party that any of the patents or trademarks are invalid or unenforceable, or that the use of any of the patents or trademarks violates the rights of any third person, or of any basis for any such claims;

(d) except as set forth in Schedule A, Debtor is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the patents, patent applications, trademarks, and trademark registrations, free and clear of any liens, charges, and encumbrances, including pledges, assignments, licenses, shop rights, and covenants by Debtor not to sue third persons;

(e) Debtor has used and will continue to use proper statutory notice in connection with its use of each of the patents and trademarks;

(f) Debtor has used and will continue to use consistent standards of high quality (which may be consistent with Debtor's past practices) in the manufacture, sale, and delivery of products and services sold or delivered under or in connection with the patents and trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the patents and trademarks; and

(g) except for the filing of a financing statement with the Secretary of State of California and filings with the United States Patent and Trademark Office necessary to perfect the security interests created hereunder, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Debtor of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Debtor or for the perfection of or the exercise by Secured Party of its rights hereunder to the Collateral in the United States.

5. After-Acquired Patent or Trademark Rights.

(a) If Debtor shall obtain rights to any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, divisional, or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. Debtor shall give prompt notice in writing to Secured Party with respect to any such new patents, and shall immediately deliver to Secured Party an amended Schedule A. Debtor shall bear any expenses incurred in connection with any future patent applications.

(b) If Debtor shall obtain rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto. Debtor shall give prompt notice in writing to Secured Party with respect to any such new trademarks or renewal or extension of any trademark registration, and shall immediately deliver to Secured Party an amended Schedule B. Debtor shall bear any expenses incurred in connection with future applications for trademark registration.

6. Indemnification. Debtor hereby agrees to indemnify and hold harmless Secured Party from any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including reasonable and documented attorneys' fees and reasonable and documented attorneys' fees incurred pursuant to the Bankruptcy Code) of any kind whatsoever that may be imposed on, incurred by or asserted against Secured Party in connection with, or in any way arising out of, any such suits, proceedings or other action concerning, or the defense of, any such suits, proceedings or other actions, whether that claim is made by Debtor or any other person, and for any damages and lost profits that may be awarded as a consequence of any such suits, proceedings or other actions, in which, with respect to all of the above, an allegation of the liability, strict or otherwise, of Debtor is or

may be made by any person who alleges or may allege having suffered damages as a consequence of alleged improper, imprudent, reckless, negligent, willful, faulty, defective or substandard design, testing, specification, manufacturing supervision, manufacturing defect, manufacturing deficiency, publicity or advertisement, or improper use, howsoever arising or by whomsoever caused, or an inventions disclosed and claimed in the patents.

7. Litigation and Proceedings. Debtor shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits administrative proceedings, or other action for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Debtor shall provide to Secured Party any information with respect thereto requested by Secured Party. Secured Party shall provide at Debtor's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Following Debtor's becoming aware thereof, Debtor shall notify Secured Party of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or any United States, state, or foreign court regarding Debtor's claim of ownership in any of the patents or trademarks, its right to apply for the same, or its right to keep and maintain such patent or trademark rights.

8. Power of Attorney. Debtor irrevocably grants Secured Party power of attorney, coupled with an interest, having the full authority, and in the place of Debtor and in the name of Debtor, from time to time following an Event of Default in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this agreement, including, without limitation, as may be subject to the provisions of this Agreement:

(a) to endorse Debtor's name on all applications, documents, papers, and instruments necessary for Secured Party to use or maintain the Collateral;

(b) to ask, demand, collect, sue for, recover, impound, receive, and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral;

(c) to file any claims or take any action or institute any proceedings that Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce Secured Party's rights with respect to any of the Collateral and to assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person; and

(d) to file any such application, instrument or document as may be required by the United States Patent and Trademark Office in order to transfer the Collateral into the name of the Secured Party or Secured Party's nominee.

9. Right to Inspect. Debtor grants to Secured Party and its employees and agents the right to visit Debtor's plants and facilities which manufacture, inspect, or store products sold under any of the patents or trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business.

10. Appraisals. Upon the request of Secured Party, Debtor shall deliver to Secured Party an appraisal, issued by an appraiser of Secured Party's choice, of the domestic and international patents, patent applications, trademarks and trademark registrations and applications for all of the above. Debtor shall disclose to the appraiser all information concerning such items as requested by the appraiser and all other information known to Debtor that would have an effect on the value of any such items.

11. Events of Default. The occurrence of any "Event of Default" under the Loan Agreement shall be an Event of Default hereunder.

12. Specific Remedies. Upon the occurrence of any Event of Default, Secured Party shall have, in addition to, other rights given by law or in this Agreement, the Loan Agreement, or in any other agreement or document entered into in connection herewith or therewith, all of the rights and remedies with respect to the Collateral of a secured party under the Code, including the following:

(a) Secured Party may notify Borrower or other licensees of the Collateral to make royalty payments on such license agreements directly to Secured Party;

(b) Secured Party may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Secured Party deems advisable. Debtor shall file any such application, instrument or document as may be required by the United States Patent and Trademark Office in order to transfer the Collateral into the name of the Secured Party or Secured Party's nominee. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Debtor five (5) days prior to such disposition. Debtor shall be credited with the net proceeds of such sale only when they are actually received by Secured Party, and Debtor shall continue to be liable for any deficiency remaining after the Collateral is sold or collected. If the sale is to be a public sale, Secured Party shall also give notice of the time and place by publishing a notice one time at least five (5) days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held; and

(c) Secured Party may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Secured Obligations as a credit on account of the purchase price of any collateral payable by Secured Party at such sale.

13. General Provisions.

13.1 Effectiveness of This Agreement. This Agreement shall be binding and deemed effective when executed by Debtor and accepted and executed by Secured Party.

13.2 Cumulative Remedies; No Prior Recourse to Collateral. The enumeration herein of Secured Party's rights and remedies is not intended to be exclusive, and such rights and remedies are in addition to and not by way of limitation of any other rights or remedies that the Secured Party may have under the Code or other applicable law. Secured Party shall have the right, in its sole discretion, to determine which rights and remedies are to be exercised and in which order. The exercise of one right or remedy shall not preclude the exercise of any others, all of which shall be cumulative.

13.3 No Implied Waivers. No act, failure, or delay by Secured Party shall constitute a waiver of any of its rights and remedies. No single or partial waiver by Secured Party of any provision of this Agreement or the Loan Agreement, or of a breach or default hereunder or thereunder, or of any right or remedy which the Secured Party may have, shall operate as a waiver of any other provision, breach, default, right, or remedy or of the same provision, breach, default, right, or remedy on a future occasion. No waiver by Secured Party shall affect its rights to require strict performance of this Agreement.

13.4 Severability. If any provision of this Agreement shall be prohibited or invalid, under applicable law, it shall be effective only to such extent, without invalidating the remainder of this Agreement.

13.5 Governing Law. This Agreement shall be deemed to have been made in the State of California and shall be governed by and interpreted in accordance with the laws of such state, except that no doctrine of choice of law shall be used to apply the laws of any other state or jurisdiction.

13.6 Judicial Reference.

(a) Other than (i) nonjudicial foreclosure and all matters in connection therewith regarding security interests in real or personal property; or (ii) the appointment of a receiver, or the exercise of other provisional remedies (any and all of which may be initiated pursuant to applicable law), each controversy, dispute or claim between the parties arising out of or relating to this Patent and Trademark Security Agreement, which controversy, dispute or claim is not settled in writing within thirty (30) days after the "Claim Date" (defined as the date on which Debtor or Bank gives written notice to the other that a controversy, dispute or claim exists), will be settled by a reference proceeding in California in accordance with the provisions of Section 638 et seq. of the California Code of Civil Procedure, or their successor section ("CCP"), which shall constitute the exclusive remedy for the settlement of any controversy, dispute or claim concerning this Patent and Trademark

Security Agreement, including whether such controversy, dispute or claim is subject to the reference proceeding and except as set forth above, the parties waive their rights to initiate any legal proceedings against each other in any court or jurisdiction other than the Superior Court in the County where any real property Collateral is located or Los Angeles County if none (the "Court"). The referee shall be a retired Judge of the Court selected by mutual agreement of the parties, and if they cannot so agree within forty-five (45) days after the Claim Date, the referee shall be promptly selected by the Presiding Judge of the Court (or his representative). The referee shall be appointed to sit as a temporary judge, with all of the powers for a temporary judge, as authorized by law, and upon selection should take and subscribe to the oath of office as provided for in Rule 244 of the California Rules of Court (or any subsequently enacted Rule). Each party shall have one peremptory challenge pursuant to CCP §170.6. The referee shall (a) be requested to set the matter for hearing within sixty (60) days after the Claim Date and (b) try any and all issues of law or fact and report a statement of decision upon them, if possible, within ninety (90) days of the Claim Date. Any decision rendered by the referee will be final, binding and conclusive and judgment shall be entered pursuant to CCP §644 in any court in the State of California having jurisdiction. Any party may apply for a reference proceeding at any time after thirty (30) days following notice to any other party of the nature of the controversy, dispute or claim, by filing a petition for a hearing and/or trial. All discovery permitted by this Patent and Trademark Security Agreement shall be completed no later than fifteen (15) days before the first hearing date established by the referee. The referee may extend such period in the event of a party's refusal to provide requested discovery for any reason whatsoever, including, without limitation, legal objections raised to such discovery or unavailability of a witness due to absence or illness. No party shall be entitled to "priority" in conducting discovery. Depositions may be taken by either party upon seven (7) days written notice, and request for production or inspection of documents shall be responded to within ten (10) days after service. All disputes relating to discovery which cannot be resolved by the parties shall be submitted to the referee whose decision shall be final and binding upon the parties. Pending appointment of the referee as provided herein, the Superior Court is empowered to issue temporary and/or provisional remedies, as appropriate.

(b) Except as expressly set forth in this Patent and Trademark Security Agreement, the referee shall determine the manner in which the reference proceeding is conducted including the time and place of all hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. All proceedings and hearings conducted before the referee, except for trial, shall be conducted without a court reporter except that when any party so requests, a court reporter will be used at any hearing conducted before the referee. The party making such a request shall have the obligation to arrange for and pay for the court reporter. The costs of the court reporter at the trial shall be borne equally by the parties.

(c) The referee shall be required to determine all issues in accordance with existing case law and the statutory laws of the State of California. The rules of evidence applicable to proceedings at law in the State of California will be applicable to

the reference proceeding. The referee shall be empowered to enter equitable as well as legal relief, to provide all temporary and/or provisional remedies and to enter equitable orders that will be binding upon the parties. The referee shall issue a single judgment at the close of the reference proceeding which shall dispose of all of the claims of the parties that are the subject of the reference. The parties hereto expressly reserve the right to contest or appeal from the final judgment or any appealable order or appealable judgment entered by the referee. The parties hereto expressly reserve the right to findings of fact, conclusions of laws, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial, if granted, is also to be a reference proceeding under this provision.

(d) In the event that the enabling legislation which provides for appointment of a referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by the reference procedure herein described will be resolved and determined by arbitration. The arbitration will be conducted by a retired judge of the Court, in accordance with the California Arbitration Act, §1280 through §1294.2 of the CCP as amended from time to time. The limitations with respect to discovery as set forth hereinabove shall apply to any such arbitration proceeding.

13.7 Survival of Representations and Warranties. All of Debtor's representations and warranties contained in this Agreement shall survive the execution, delivery, and acceptance thereof by the parties, notwithstanding any investigation by Secured Party or its agents.

13.8 Fees and Expenses. Debtor shall pay to Secured Party on demand all costs and expenses that the Secured Party pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement, and termination of this Agreement, including: (a) reasonable attorneys' and paralegals' fees and disbursements of counsel to Secured Party; (b) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien and title searches; (d) taxes, fees, and other charges for filing this Agreement at the United States Patent and Trademark Office, or for filing financing statements, and continuations, and other actions to perfect, protect, and continue the security interest created hereunder; (e) sums paid or incurred to pay any amount or take any action required of Debtor under this Agreement that Debtor fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) paid or incurred to enforce the security interest created hereunder, sell or otherwise realize upon the Collateral, and otherwise enforce the provisions of this Agreement, or to defend any claims made or threatened against the Secured Party arising out of the transactions contemplated hereby (including preparations for the consultations concerning any such matters). The foregoing shall not be construed to limit any other provisions of this Agreement regarding costs and expenses to be paid by Debtor. The parties agree that reasonable attorneys' and paralegals' fees and costs incurred in enforcing any judgment are recoverable as a separate item in

addition to fees and costs incurred in obtaining the judgment and that the recovery of past judgment reasonable attorneys' and paralegals' fees and costs is intended to survive any judgment, and is not to be deemed merged into any judgment.

13.9 Notices. Except as otherwise provided herein, all notices, demands and requests that Debtor or Secured Party are required or elect to give to the other shall be sent in accordance with Section 9.1 of the Loan Agreement.

13.10 Binding Effect; Assignment. The provisions of this Agreement shall be binding upon and inure to the benefit of the respective representatives, successors and assigns of the parties hereto; provided, however, that no interest herein may be assigned by Debtor without the prior written consent of Secured Party. The rights and benefits of Secured Party hereunder shall, if Secured Party so agrees, inure to any party acquiring any interest in the Secured Obligations or any part thereof.

13.11 Modification. This Agreement is intended by Debtor and Secured Party to be the final, complete, and exclusive expression of the agreement between them respecting the subject matter hereof. This Agreement supersedes any and all prior oral or written agreements relating to the subject matter hereof. No modification, rescission, waiver, release, or amendment of any provision of this Agreement shall be made, except by a written agreement signed by Debtor and a duly authorized officer of Secured Party.

13.12 Counterparts. This Agreement may be executed in any number of counterparts, and by Secured Party and Debtor in separate counterparts, each of which shall be an original, but all of which shall together constitute one and the same agreement.

13.13 Captions. The captions contained in this Agreement are for convenience only, are without substantive meaning and should not be construed to modify, enlarge, or restrict any provision.

13.14 Termination By Secured Party. After termination of the Loan Agreement and when Secured Party has received payment and performance, in full, of all Secured Obligations, Secured Party shall execute and deliver to Debtor a termination of all of the security interests granted by Debtor hereunder.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

UNITED STATES MANUFACTURING
COMPANY, LLC, a Delaware limited liability
company

By: I. G. Walker
Ian G. Walker, Executive Vice President

IMPERIAL BANK,
a California banking corporation

By: _____
Clinton E. Anderson, Vice President

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

UNITED STATES MANUFACTURING
COMPANY, LLC, a Delaware limited liability
company

By: _____
Ian G. Walker, Executive Vice President

IMPERIAL BANK,
a California banking corporation

By:  _____
Clinton E. Anderson, Vice President

LISTED IN ALPHABETICAL ORDER

U.S. AND FOREIGN MARK PROGRAM

CONFIDENTIAL
U28 - USMC

CHRISTIE PARKER & HALE LLP
FILE: U28.10

MARK	CHI Data Year Reference	SERIAL NO. REG. NO.	FILED ISSUED	STATUS	SCHEDULED ACTIONS
AIR CAM	25566-USA UNITED STATES	74387715 1903484	05/06/1993 07/04/1995	REGISTERED	RENEWAL DUE SECTIONS 1&15 DUE 07/04/2005 07/04/2001
AQUA-LITE	14461-USA UNITED STATES	352017 1229513	02/26/1982 03/08/1983	REGISTERED	RENEWAL DUE 03/08/2003
BIO ELASTIC	25566-USA UNITED STATES	74387717 1940361	05/06/1993 12/21/1995	REGISTERED	RENEWAL DUE SECTIONS 1&15 DUE 12/12/2005 12/12/2001
BLACK MAX	23983-GER GERMANY	39645985.4 39645985	10/23/1996 12/20/1996	REGISTERED	RENEWAL DUE 10/31/2006
BLACK MAX	23983-USA UNITED STATES	74727294 1715400	12/03/1991 09/15/1992	REGISTERED	RENEWAL DUE 09/15/2002
BLACK MAX	29074-USA UNITED STATES	75079529	03/27/1996 TTU	ALLOWED 03/04/1997	TTU EXT 3 FILED START USE/EXT 4 DUE 03/04/1999
C.A.M. WALKER	19185-USA UNITED STATES	695864 1498507	11/16/1987 08/02/1988	REGISTERED	RENEWAL DUE 08/02/2008
CASTAWAY	22244-USA UNITED STATES	74083721 1681077	08/01/1990 03/31/1992	REGISTERED	APPLICATION PUBLISHED PL. REGISTRATION CERT RENEWAL DUE 07/07/1992 03/31/2002
Design (single fracture walzer)	32670-USA UNITED STATES	75527394	07/27/1998	PENDING	OFFICE ACTION (6 MON) RESPONSE DEADLINE FOREIGN FILING REVIEW DEADLINE TO CLAIM PRIORITY 04/16/1999 01/27/1999

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 FILE: U28.30

MARK	CHI Docket Type Reference	SERIAL NO. REG. NO.	FILED ISSUED	STATUS	SCHEDULED ACTIONS
DYNA PLEX	20143-USA UNITED STATES	786946 1573132	03/14/1989 12/26/1989	REGISTERED	RENEWAL DUE 12/26/1999
HITOP	22243-USA UNITED STATES	74083749 1646753	08/01/1990 06/04/1991	REGISTERED	RENEWAL DUE 06/04/2001
LERMAN MULTI-LIGAMENTUS	14846-USA UNITED STATES	384113 1321992	09/07/1982 02/26/1985	REGISTERED	RENEWAL DUE 02/26/2005
LUXURY LINER	31646-USA UNITED STATES	75386168	11/06/1997	PUBLISHED 09/22/1998	EXAMINER'S AMENDMENT FD-PTO ACTION 12/30/1998
MINI MAX	27930-USA UNITED STATES	74682334 1999416	05/31/1995 09/10/1996	REGISTERED	RENEWAL DUE SECTIONS 8&15 DUE 09/10/2006 09/10/2002
MODULAR WITH A MEMORY	23108-USA UNITED STATES	74/196544 1723541	08/20/1991 10/13/1992	REGISTERED	RENEWAL DUE 10/13/2002
MULTI-PLEX	20342-USA UNITED STATES	786943 1368190	03/14/1989 11/28/1989	REGISTERED	RENEWAL DUE 11/28/1999
ORTHOMEDICS	34142-USA UNITED STATES	317876 1234471	07/06/1981 04/12/1983	REGISTERED	RENEWAL DUE 04/12/03
PB and design	17163-IBEN PARKELUX	369001 369001	07/13/1981 07/13/1981	REGISTERED	RENEWAL DUE 07/13/2001
PB and design	17163-USA UNITED STATES	72384425 932357	02/22/1971 04/11/1972	REGISTERED	RENEWAL DUE 04/11/2002

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FILE: US330

MARK	CHI DocId Year Reference	SERIAL NO. REG. NO.	FILED ISSUED	STATUS	SCHEDULED ACTIONS
PNEU-TRAC	25567-USA UNITED STATES	742187716 1882895	05/06/1993 03/07/1995	REGISTERED	RENEWAL DUE SECTIONS 8&15 DUE 03/07/2005 03/07/2001
PROSPOKT	33463-USA UNITED STATES			MAILED 10/30/1998	APPLICATION MAILED FU: FILING RECEIPT 02/28/1999
S.O.M.L.	14695-USA UNITED STATES	369305 1255980	06/14/1982 11/01/1983	REGISTERED	RENEWAL DUE 11/01/2003
SLIDDERM	23287-USA UNITED STATES	74214870 1704769	10/23/1991 08/04/1992	REGISTERED	RENEWAL DUE 08/04/2002
STRETCH & HEEL	30639-USA UNITED STATES	752720231 2142774	04/07/1997 03/10/1998	REGISTERED	APPLICATION PUBLISHED FU: REGISTRATION CERT RENEWAL DUE SECTIONS 8&15 DUE 06/16/1998 03/10/2008 03/10/2004
SUPER SEAL	23286-USA UNITED STATES	742203613 1759706	09/16/1991 03/23/1993	REGISTERED	RENEWAL DUE 03/23/2003
THE EXECUTIVE COLLAR	34143-USA UNITED STATES	295128 1198581	02/02/1981 06/22/1982	REGISTERED	RENEWAL DUE 06/22/2002
UNITED STATES MANUFACTURING COMPANY	31410-AUS AUSTRALIA	749463	11/24/1997	PENDING	ACCEPTANCE DEADLINE SET RESPONSE DEADLINE 03/24/1999
UNITED STATES MANUFACTURING COMPANY	31410-CAN CANADA	852486	11/25/1997	PENDING	INSTRUCTIONS SENT 07/13/1998 FU: NEXT PTO ACTION 04/13/1999
UNITED STATES MANUFACTURING COMPANY	31410-ECM EUROPEAN COMMUNITY	680885	11/26/1997	PENDING	SEARCH REPORT ISSUED FU: PTO ACTION 12/29/1998

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MARK	CPI Backs Year Registered	SERIAL NO. REG. NO.	FILED ISSUED	STATUS	SCHEDULED ACTIONS
UNITED STATES MANUFACTURING COMPANY	31410-JPN JAPAN	10-318	01/07/1998	PENDING	FILING RECEIPT RCVD 02/27/1998 FU: NEXT PTO ACTION 02/27/1999
UNITED STATES MANUFACTURING COMPANY	31410-NZL NEW ZEALAND	290216	06/03/1998	PUBLISHED 10/28/1998	APPLICATION PUBLISHED FU: REGISTRATION CERT 04/28/1999
UNITED STATES MANUFACTURING COMPANY	31410-USA UNITED STATES	75061410	09/23/1997	PUBLISHED 12/15/1998	EXAMINERS AMENDMENT FU: PTO ACTION 03/01/1999 RESPONSE FILED 07/09/1998 FU: NEXT PTO ACTION 01/09/1999 FOREIGN FILING REVIEW DEADLINE TO CLAIM PRIORITY 03/23/1998
USMC	12313-AUR AUSTRIA	AM/236693 148087	05/18/1993 07/06/1993	REGISTERED	RENEWAL DUE 07/31/2003
USMC	12313-AUS AUSTRALIA	740526 740526	08/01/1997 03/20/1998	REGISTERED	RENEWAL DUE 08/01/2007
USMC	12313-BEN BENELUX	75652 539653	06/17/1993 07/01/1994	REGISTERED	RENEWAL DUE 06/17/2003
USMC	12313-CAN CANADA	856134	09/15/1997	PENDING	OFFICE ACTION (FOREIGN) RESPONSE & EXT DEADLINE 12/20/1998
USMC	12313-DEN DENMARK	0026695 017281995	01/11/1995 03/10/1995	REGISTERED	RENEWAL DUE 03/10/2005
USMC	12313-ENG UNITED KINGDOM	1535671 1535671	05/15/1993 08/02/1996	REGISTERED	RENEWAL DUE 05/15/2003

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MARK	CFR Number Year Reference	SERIAL NO. REG. NO.	FILED ISSUED	STATUS	SCHEDULED ACTIONS
USMC	12313-FIN FINLAND	932297 132010	05/21/1993 05/05/1994	REGISTERED	RENEWAL DUE 05/05/2004
USMC	12313-FRA FRANCE	93468909 93468909	05/18/1994 05/18/1993	REGISTERED	RENEWAL DUE 05/17/2003
USMC	12313-GER GERMANY	U895710WZ 2094351	05/18/1993 03/30/1995	REGISTERED	RENEWAL DUE 05/31/2003
USMC	12313-GRE GREECE	130429	08/22/1996	PUBLISHED 04/29/1998	APPLICATION PUBLISHED FOR REGISTRATION CERT 10/29/1998
USMC	12313-IRE IRELAND	932043 B156716	05/14/1993 04/04/1995	REGISTERED	RENEWAL DUE 05/14/2000
USMC	12313-JPN JAPAN	83565/1979 2451452	11/02/1979 08/31/1992	REGISTERED	RENEWAL DUE 08/31/2002
USMC	12313-KOR SOUTH KOREA	9742702	09/08/1997	PENDING	DECISION TO PUBLISH ISSUED FOR NTC PUBLICATION 09/05/1998
USMC	12313-MEX MEXICO	214253 289202	03/16/1983 03/16/1983	REGISTERED	RENEWAL DUE 03/16/2003
USMC	12313-NZL NEW ZEALAND	280493 280498	08/04/1997 01/28/1998	REGISTERED	RENEWAL DUE 08/04/2004
USMC	12313-POR PORTUGAL	291996 291996	05/21/1993 08/10/1994	REGISTERED	RENEWAL DUE DECL. OF INTENT TO USE DUE 08/10/2004 08/10/1999

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MARK	CPL Design Year Reference	SERIAL NO. REG. NO.	FILED ISSUED	STATUS	SCHEDULED ACTIONS
USMC	12313-PRC CHINA	9700123031	11/19/1997	PENDING	FILING RECEIPT RCVD 12/11/1997 FJ: NEXT PTD ACTION 12/11/1998
USMC	12313-SPA SPAIN	923423 923423	11/05/1979 06/06/1980	REGISTERED	RENEWAL DUE 06/06/2000
USMC	12313-SWE SWEDEN	9304730 300517	05/19/1993 04/13/1995	REGISTERED	RENEWAL DUE 04/13/2005
USMC	12313-THA THAILAND	348159 Kor 78351	11/06/1997 09/22/1998	REGISTERED	RENEWAL DUE 11/05/2007
USMC	12313-USA UNITED STATES	185676 1480588	09/14/1978 03/15/1988	REGISTERED	RENEWAL DUE 03/15/2008
ZINCO	12314-USA UNITED STATES	185601 1131703	09/14/1978 03/11/1980	REGISTERED	RENEWAL DUE 03/11/2000

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