

07-16-1999

U.S. DEPARTMENT OF COMMERCE

Patent and Trademark Office



03-24-1999

of Patents and

101093826

original documents or copy thereof.

U.S. Patent & TMOs/TM Mail Rcpt Dt. #47

The Cookstore, Inc.  
4006 Venture Court  
Columbus, OH 43228

*MPO*  
*3-24-99*

- Individual(s)
- General Partnership
- Corporate-State - Ohio
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached Yes  No   
Aropi, Incorporated

2. Name and address of receiving party(ies):

Name: Liberty BIDCO Investment Corporation  
 Internal Address: Suite 211  
 Street Address: 30833 North Western Highway  
Farmington Hills, MI 48334  
 Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State Michigan  
 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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: August 20, 1998

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark registration No.(s)

Registration No. 1,662,865; 1,677,149; 1,614,441

See numbers on Exhibit B to attached Agreement.

Additional numbers attached?  Yes  No

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

Name: Alan W. Scheufler, Esq.

Internal Address: Suite 1500

Street Address: 1350 Euclid Avenue

City: Cleveland State: Ohio Zip: 44115-1815

6. Total number of applications and registrations involved: 3

7. Total fee (37 CFR 3.41): ..... \$ 90.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

04/06/1999 DMSUYEN 00000120 1662865

DO NOT USE THIS SPACE

01 FC:481 40.00 OP  
 02 FC:482 50.00 OP

9. Statement and signature.

To the best of my knowledge and belief, the foregoing is true and correct and any attached copy is a true copy of the original document.

By: Alan W. Scheufler, Esq.  
 Name of Person Signing  
 Attorney for Secured Party

*Alan W. Scheufler* 3/22/99  
 Signature Date

Total number of pages comprising cover sheet: 2

ATTACHMENT TO RECORDATION FORM COVER SHEET  
**TRADEMARKS ONLY**

Additional Conveying Party:

Aropi, Incorporated  
4264-B Winter Chapel Road  
Building B  
Atlanta, GA 30360

An Iowa Corporation

Security Agreement Execution Date: August 20, 1998

### PATENT, TRADEMARK, COPYRIGHT AND LICENSE MORTGAGE

THIS PATENT, TRADEMARK, COPYRIGHT AND LICENSE MORTGAGE (the "Mortgage") made as of this 20th day of August, 1998, by HOME RETAIL HOLDINGS, INC., a Delaware corporation; THE COOKSTORE, INC., an Ohio corporation; THE COOKSTORE WORTHINGTON, INC., an Ohio corporation, of 4006 Venmore Court, Columbus, Ohio, 43228, and AROPI, INCORPORATED, an Iowa corporation of 4264-B Winter Chapel Road, Building B, Atlanta, Georgia 30360 ("Mortgagor") in favor of LIBERTY BIDCO INVESTMENT CORPORATION, a Michigan corporation, with offices at 30833 Northwestern Highway, Suite 211 Farmington Hills, Michigan 48334-2582 ("Mortgagee"):

#### WITNESSETH:

WHEREAS, Mortgagor and Mortgagee are parties to a certain Business Loan Agreement, as amended, (the "Loan Agreement") and other related loan documents of even date herewith (collectively, with the Loan Agreement, the "Loan Documents"), which Loan Documents provide (i) for Mortgagee, from time to time, to extend credit to or for the account of Borrower, and (ii) for the grant by Mortgagor to Mortgagee of a security interest in certain of Mortgagor's assets, including, without limitation, its patents, patent applications, trademarks, trademark applications, trade names, service marks, service mark applications, copyrights, copyright registrations, copyright applications, goodwill and licenses;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Mortgagor agrees as follows:

1. Incorporation of Loan Documents. The Loan Documents and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Documents.

2. Mortgage of Patents, Trademarks, Copyrights and Licenses. To secure the complete and timely satisfaction of all of Mortgagor's Obligations, Mortgagor hereby grants, bargains, assigns, mortgages, pledges, sells, creates a security interest in, transfers and conveys to Mortgagee, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale, to the extent permitted by law, upon the occurrence of a Default, in all of Mortgagor's right, title and interest in and to all of its now existing and hereafter created or acquired:

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Exhibit A attached hereto and hereby made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, damages and payments now and hereafter due or payable under or with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world, if any (all of the foregoing patents and applications, together with the items described in clauses (a)-(d) of this subsection 2.(i), are sometimes hereinafter referred to individually as a "Patent" and, collectively, as the "Patents");

(ii) trademarks, trademark registrations, trademark applications, trade names and tradestyles, brand names, service marks, service mark registrations and service mark applications, including, without limitation, the trademarks, trade names, brand names, service marks and applications and registrations thereof listed on Exhibit B attached hereto and hereby made a part hereof, and (a) renewals or extensions, thereof, (b) all income, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, damages and payment for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names and tradestyles, brand names, service marks and applications and registrations thereof, together with the items described in

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clauses (a)-(d) of this subsection 2.(ii), are sometimes hereinafter referred to individually as a "Trademark" and, collectively, as the "Trademarks");

(iii) copyrights, copyright registrations and copyright applications, including, without limitation the copyrights, copyright registrations and copyright applications listed on Exhibit C attached hereto and hereby made a part hereof, and (a) renewals or extensions thereof, (b) all income, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing copyrights, copyright registrations and copyright applications, together with the items described in clauses (a)-(d) of this subsection 2.(iii), are sometimes hereinafter referred to individually as a "Copyright" and, collectively, as the "Copyrights");

(iv) license agreements (to the extent such license agreements may be assigned without violating the terms of any such license agreement) with respect to any of the Patents or the Trademarks or any other patent, trademark, service mark or any application or registration thereof or any other trade name or tradestyle between Mortgagor and any other party, whether Mortgagor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Exhibit D attached hereto and hereby made a part hereof (all of the foregoing license agreements and Mortgagor's rights thereunder are referred to collectively as the "Licenses"); and

(v) the goodwill of Mortgagor's business connected with and symbolized by the Trademarks.

3. Warranties and Representations. Mortgagor warrants and represents to Mortgagee that:

(i) no Patent, Trademark, Copyright or License has been adjudged invalid or unenforceable nor has any such Patent, Trademark, Copyright or License been cancelled, in whole or in part and each such Patent, Trademark, Copyright and License is presently subsisting;

(ii) each Patent, Trademark, Copyright and License Material to the Mortgagor's business is valid and enforceable;

(iii) Mortgagor is the sole and exclusive owner of the entire and unencumbered right, title and interest as they may appear in and to each Patent, Trademark, Copyright and License, free and clear of any liens, charges and encumbrances, including without limitation licenses, shop rights and covenants by Mortgagor not to sue third persons;

(iv) Mortgagor has adopted, used and is currently using all of the Trademarks;

(v) Mortgagor has no notice of any suits or actions commenced or threatened with reference to the Patents, Trademarks, Copyrights or Licenses; and

(vi) Mortgagor has the unqualified right to execute and deliver this Mortgage and perform its terms.

4. Restrictions on Future Agreements. Mortgagor agrees that until all Obligations shall have been satisfied in full and the Loan Documents shall have been terminated, Mortgagor shall not, without the prior written consent of Mortgagee, sell or assign its interest in, or grant any license or sublicense under the Patents, Trademarks, Copyrights or Licenses, or enter into any other agreement with respect to the Patents, Trademarks, Copyrights or Licenses, and Mortgagor further agrees that it shall not take any action or permit any action to be taken by others subject to its control, including licensees, or fail to take any action which would affect the validity of the rights transferred to Mortgagee under this Mortgage.

5. New Patents, Trademarks, and Licenses. Mortgagor represents and warrants that the Patents, Trademarks, Copyrights and Licenses listed on Exhibits A, B, C and D, respectively, constitute all of the Patents, Trademarks, Copyrights and Licenses now owned by Mortgagor. If, before all Obligations shall have been satisfied in full or before the Loan Documents have been terminated, Mortgagor shall (i) become aware of any existing Patents, Trademarks, Copyrights or Licenses of which Mortgagor has not previously informed Mortgagee, (ii) obtain rights to any new patentable inventions, Patents, Trademarks, Copyrights or Licenses, or (iii) become entitled to the benefit of any Patents, Trademarks, Copyrights or Licenses which benefit is not in existence on the date hereof, the provisions of this Mortgage above shall automatically apply thereto and Mortgagor shall give to Mortgagee prompt written notice thereof. Mortgagor hereby authorizes Mortgagee to modify this Mortgage by amending Exhibits A, B, C and D, as applicable, to include any such Patents, Trademarks, Copyrights and Licenses.

6. Royalties Terms. The term of the mortgages granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, Trademarks, Copyrights and Licenses assigned hereunder, and (ii) the payment in full of all Obligations and the termination of the Loan Documents. Mortgagor agrees that upon the occurrence of a Default, the use by Mortgagee of all Patents, Trademarks, Copyrights and Licenses shall be worldwide, except as limited by their terms, and without any liability for royalties or other related charges from Mortgagee to Mortgagor.

7. Grant of License to Mortgagor. Unless and until a Default shall have occurred, Mortgagee hereby grants back to Mortgagor the exclusive, nontransferable right and license to use the Trademarks in the ordinary course of its business, to exercise Mortgagee's rights under the Licenses, and to make, have made, use and sell the inventions disclosed and claimed in the Patents for Mortgagor's own benefit and account and for none other. Mortgagor shall use the Trademarks only on goods of at least as high quality as the goods on which Mortgagor or its predecessor used the goods prior to the date hereof. Mortgagor agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to Mortgagor in this Section 7, without the prior written consent of Mortgagee. From and after the occurrence of a Default, Mortgagor's license with respect to the Patents, Trademarks, Copyrights and Licenses set forth in this Section 7 shall terminate upon receipt by Mortgagor of written notice of such termination from Mortgagee, and Mortgagee shall have, in addition to all other rights and remedies given it by this Mortgage, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Ohio.

8. Mortgagee's Right to Inspect. Mortgagee shall have the right, at any time and from time to time during normal business hours and prior to payment in full of all Obligations and termination of the Loan Documents, to inspect Mortgagor's premises and to examine Mortgagor's books, records and operations, including, without limitation, Mortgagor's quality control processes. Mortgagor agrees (i) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof and (ii) to provide Mortgagee, upon Mortgagee's request from time to time, with a certificate of an officer of Mortgagor certifying Mortgagor's compliance with the foregoing. Upon the occurrence of a Default of Default, Mortgagor agrees that Mortgagee, or a conservator appointed by Mortgagee, shall have the right to establish such additional product quality controls as Mortgagee, or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Mortgagor under the Trademarks. The foregoing notwithstanding, unless and until a Default shall have occurred, Mortgagee agrees to hold confidential and not disclose or use any information regarding any Patent, Trademark, Copyright or License unless such disclosure is required by applicable law or court order. This obligation shall survive the termination of this Agreement, the release of the mortgage herein and such reassignment of the Patents, Trademarks, Copyrights or Licenses, as applicable, unless such termination is due to a Default.

9. **Release of Mortgage.** This Mortgage is made for collateral purposes only. Upon payment in full of all Obligations and termination of the Loan Documents, Mortgagee shall execute and deliver to Mortgagor all deeds, assignments and other instruments, and shall take such other actions, as may be necessary or proper to re-vest in Mortgagor full title to the Patents, Trademarks, Copyrights and Licenses, subject to any disposition thereof which may have been made by Mortgagee pursuant to the Loan Documents.

10. **Expenses.** All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Mortgagor. All fees, costs and expenses, of whatever kind or nature, including attorneys' and paralegals' fees and legal expenses, incurred by Mortgagee in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Patents, Trademarks, Copyrights and Licenses, or in defending or prosecuting any actions or proceedings arising out of or related to the Patents, Trademarks, Copyrights and Licenses, shall be borne by and paid by Mortgagor on demand by Mortgagee and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the rate for Revolving Credit Loan.

11. **Duties of Mortgagor.** Mortgagor shall have the duty (i) to file and prosecute diligently any patent, trademark or service mark applications pending as of the date hereof or hereafter until all Obligations shall have been paid in full and the Loan Documents have been terminated, (ii) to make application on unpatented but patentable inventions and on trademarks and service marks, (iii) to preserve and maintain all rights in the Patents, Trademarks, Copyrights and Licenses, and (iv) to ensure that the Patents, Trademarks, Copyrights and Licenses are and remain enforceable. Any expenses incurred in connection with Mortgagor's obligations under this Section 11 shall be borne by Mortgagor. Mortgagor shall not abandon any right to file a patent, trademark or service mark application, or abandon any pending patent application, or any other Patent, Trademark, Copyright or License without the consent of Mortgagee.

12. **Mortgagee's Right to Sue.** After a Default, Mortgagee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, Trademarks, Copyrights and Licenses, and, if Mortgagee shall commence any such suit, Mortgagor shall, at the request of Mortgagee, do any and all lawful acts and execute any and all proper documents required by Mortgagee in aid of such enforcement and Mortgagor shall promptly, upon demand, reimburse and indemnify Mortgagee for all costs and expenses incurred by Mortgagee in the exercise of its rights under this Section 12.

13. **Waivers.** No course of dealing between Mortgagor and Mortgagee, nor any failure to exercise, nor any delay in exercising, on the part of Mortgagee, any right, power or privilege hereunder or under the Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

14. **Severability.** The provisions of this Mortgage are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Mortgage in any jurisdiction.

15. **Modification.** This Mortgage cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

16. Cumulative Remedies; Power of Attorney; Effect on Loan Documents. All of Mortgagee's rights and remedies with respect to the Patents, Trademarks and Licenses, whether established hereby or by the Loan Documents, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Mortgagor hereby authorizes Mortgagee upon the occurrence of a Default, to make, constitute and appoint any officer or agent of Mortgagee as Mortgagee may select, in its sole discretion, as Mortgagor's true and lawful attorney-in-fact, with power to (i) endorse Mortgagor's name on all applications, documents, papers and instruments necessary or desirable for Mortgagee in the use of the Patents, Trademarks, Copyrights and Licenses, or (ii) take any other actions with respect to the Patents, Trademarks, Copyrights and Licenses as Mortgagee deems to be in the best interest of Mortgagee, or (iii) grant or issue any exclusive or non-exclusive license under the Patents, Trademarks, Copyrights or Licenses to anyone, or (iv) assign, pledge, convey or otherwise transfer the in or dispose of the Patents, Trademarks, Copyrights or Licenses to anyone. Mortgagor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all Obligations shall have been paid in full and the Loan Documents have been terminated. Mortgagor acknowledges and agrees that this Mortgage is not intended to limit or restrict in any way the rights and remedies of Mortgagee under the Loan Documents but rather is intended to facilitate the exercise of such rights and remedies. Mortgagee shall have, in addition to all other rights and remedies given it by the terms of this Mortgage and the Loan Documents, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Ohio.

17. Binding Effect; Benefits. This Mortgage shall be binding upon Mortgagor and its respective successors and assigns, and shall inure to the benefit of Mortgagee, its successors, nominees and assigns.

18. Governing Law. This Mortgage shall be governed by and construed in accordance with the internal laws of the State of Ohio.

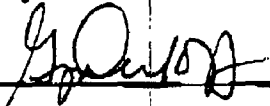
19. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

20. Further Assurances. Mortgagor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Mortgagee shall reasonably request from time to time in order to carry out the purpose of this Mortgage and agreements set forth herein.

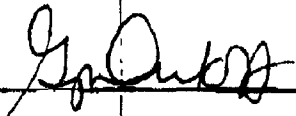
21. Survival of Representations. All representations and warranties of Mortgagor contained in this Mortgage shall survive the execution and delivery of this Mortgage and shall be deemed made on the date of each borrowing under the Loan Documents.

IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage in favor of Mortgagee, as of the date first written above.

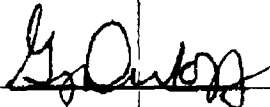
ATTEST:  
  
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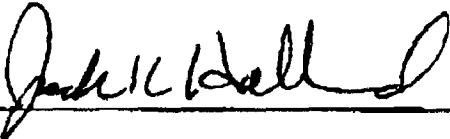
HOME RETAIL HOLDINGS, INC.,  
a Delaware Corporation  
By:   
Its: SECRETARY

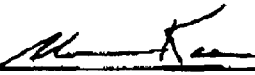
ATTEST:  
  
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THE COOKSTORE, INC.,  
an Ohio corporation  
By:   
Its: SECRETARY

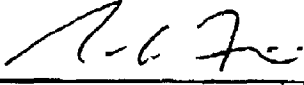
ATTEST:  
  
\_\_\_\_\_

THE COOKSTORE WORTHINGTON, INC.,  
an Ohio Corporation  
By:   
Its: SECRETARY

ATTEST:  
  
\_\_\_\_\_

AROPI, INCORPORATED,  
an Iowa Corporation  
By:   
Its: \_\_\_\_\_

AGREED AND ACCEPTED AS OF  
THIS 19th DAY OF AUGUST, 1998

LIBERTY BIDCO INVESTMENT CORPORATION  
a Michigan corporation  
By:   
Its: Vice President

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**EXHIBIT A**

**PATENTS**

None presently

F:\WPDOC\AWEBANK\LIBERTY\HDS\GREEN\PATENT.CLX



**EXHIBIT B**

**TRADEMARKS**

<b>Holder</b>	<b>Trademark and Service Mark</b>	<b>U.S. Patent and Trademark Office Registration No.</b>
The Cookstore, Inc.	The Cookstore	1,662,865
Aropl, Incorporated	Rolling Pin Kitchen Emporium	1,677,149
	Rolling Pin	1,614,441

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**EXHIBIT C**

**COPYRIGHTS**

None presently

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**EXHIBIT D**

**LICENSE AGREEMENTS**

[To be completed]

A:\PROCS\W\BANKS\LIBERTY\BIDCO\LIBERTY\PATENT.CLN

