

06-02-2000

05/09/00

To the Honorable Commissioner of Pa



1 original documents or copy thereof.

1. Name of conveying party(ies):

101372486

of receiving party(ies):

R.S. Andrews Enterprises, Inc.

Name: LaSalle Bank National Association, as Agent

Internal Address: \_\_\_\_\_

Street Address: 135 South LaSalle Street

City: Chicago

State: IL

ZIP: 60603

- Individual(s)
- General Partnership
- Corporation-State - Delaware
- Other \_\_\_\_\_
- Association
- Limited Partnership

- Individual(s) citizenship \_\_\_\_\_
- Association National Association
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation-State \_\_\_\_\_
- Other \_\_\_\_\_

Additional name(s) of conveying party(ies) attached?

- Yes
- No

3. Nature of conveyance:

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

Execution Date: March 17, 2000

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) or registration number(s):

A. Trademark Application No.(s)

75/564,364  
75/564,363  
75/654,350  
75/660,428

B. Trademark registration No.(s)

2,332,352

Additional numbers attached?  Yes  No

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

Name: Deborah Schavey Ruff

Internal Address: Mayer, Brown & Platt

Street Address: P.O. Box 2828

City: Chicago State: IL ZIP: 60690-2828

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41) ..... \$ 140.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: 13-0019

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

05/31/2000 DMGUYEN 00000145 75564364

DO NOT USE THIS SPACE

FC:481  
FC:482

40.00 OP  
100.00 OP

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.

DEBORAH SCHAVEY RUFF

[Signature]

5/8/00

Name of Person Signing  
(99608077 - ZGB)

Signature

Date

Total number of pages comprising cover sheet: 28

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks  
Box Assignments  
Washington, D.C. 20231

Public burden reporting for this sample sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington D.C. 20503.

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") dated as of March 17, 2000, is among R.S. ANDREWS ENTERPRISES, INC. (the "Company"); various subsidiaries of the Company which are listed on the signature pages hereof as debtors or which from time to time become parties hereto as debtors (collectively, including the Company, the "Debtors" and individually each a "Debtor"); and LASALLE BANK NATIONAL ASSOCIATION in its capacity as agent for the Lender Parties referred to below (in such capacity, the "Agent").

W I T N E S S E T H:

WHEREAS, the Company has entered into a Credit Agreement dated as of March 17, 2000 (as amended or otherwise modified from time to time, the "Credit Agreement") with various financial institutions and the Agent, pursuant to which such financial institutions have agreed to make loans to the Company;

WHEREAS, each of the other Debtors has executed and delivered a guaranty (as amended or otherwise modified from time to time, the "Guaranty") of certain obligations of the Company, including all obligations of the Company under the Credit Agreement; and

WHEREAS, the obligations of the Company under the Credit Agreement and the obligations of each other Debtor under the Guaranty are to be secured pursuant to this Agreement;

NOW, THEREFORE, for and in consideration of any loan, advance or other financial accommodation heretofore or hereafter made to the Company under or in connection with the Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. When used herein, (a) the terms Account, Account Debtor, Certificated Security, Chattel Paper, Commodity Account, Commodity Contract, Deposit Account, Document, Equipment, Financial Asset, Fixture, Goods, Inventory, Instrument, Investment Property, Security, Security Entitlement and Uncertificated Security have the respective meanings assigned thereto in the UCC (as defined below); (b) capitalized terms which are not otherwise defined have the respective meanings assigned thereto in the Credit Agreement; and (c) the following terms have the following meanings (such definitions to be applicable to both the singular and plural forms of such terms):

12675287 99608077

TRADEMARK  
REEL: 002082 FRAME: 0035

Assignee Deposit Account - see Section 4.

Collateral means, with respect to any Debtor, all property and rights of such Debtor in which a security interest is granted hereunder.

Computer Hardware and Software means, with respect to any Debtor, all of such Debtor's rights (including rights as licensee and lessee) with respect to (i) computer and other electronic data processing hardware, including all integrated computer systems, central processing units, memory units, display terminals, printers, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories, peripheral devices and other related computer hardware; (ii) all software programs designed for use on the computers and electronic data processing hardware described in clause (i) above, including, without limitation, all operating system software, utilities and application programs in whatsoever form (source code and object code in magnetic tape, disk or hard copy format or any other listings whatsoever); (iii) any firmware associated with any of the foregoing; and (iv) any documentation for hardware, software and firmware described in clauses (i), (ii) and (iii) above, including, without limitation, flow charts, logic diagrams, manuals, specifications, training materials, charts and pseudo codes.

Default means the occurrence of: (a) any Unmatured Event of Default under Section 12.1.1 or 12.1.4 of the Credit Agreement; or (b) any Event of Default.

General Intangibles means, with respect to any Debtor, all of such Debtor's "general intangibles" as defined in the UCC and, in any event, includes (without limitation) all of such Debtor's licenses, franchises, tax refund claims, guarantee claims, security interests and rights to indemnification.

Intellectual Property means all past, present and future: trade secrets and other proprietary information; customer lists; trademarks, service marks, business names, trade names, designs, logos, indicia and other source and/or business identifiers, and the goodwill of the business relating thereto and all registrations or applications for registrations which have heretofore been or may hereafter be issued thereon throughout the world; copyrights (including, without limitation, copyrights for computer programs) and copyright registrations or applications for registrations which have heretofore been or may hereafter be issued throughout the world and all tangible property embodying the copyrights; inventions (whether or not patentable); patent applications and patents; industrial designs, industrial design

applications and registered industrial designs; license agreements related to any of the foregoing and income therefrom; mask works; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, source codes, object codes and other physical manifestations, embodiments or incorporations of any of the foregoing; the right to sue for all past, present and future infringements of any of the foregoing; and all common law and other rights throughout the world in and to all of the foregoing.

Lender Party means each Lender under and as defined in the Credit Agreement and any Affiliate of a Lender which is a party to a Hedging Agreement with the Company.

Liabilities means, as to each Debtor, all obligations (monetary or otherwise) of such Debtor under the Credit Agreement, any Note, the Guaranty, any other Loan Document or any other document or instrument executed in connection therewith and, in the case of the Company, all Hedging Obligations owed to any Lender Party, in each case howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due.

Non-Tangible Collateral means, with respect to any Debtor, collectively, such Debtor's Accounts and General Intangibles.

UCC means the Uniform Commercial Code as in effect from time to time in the State of Illinois; provided that, as used in Section 8 hereof, "UCC" shall mean the Uniform Commercial Code as in effect from time to time in any applicable jurisdiction.

2. Grant of Security Interest. As security for the payment of all Liabilities, each Debtor hereby assigns to the Agent for the benefit of the Lender Parties, and grants to the Agent for the benefit of the Lender Parties a continuing security interest in, the following, whether now or hereafter existing or acquired:

All of such Debtor's:

- (i) Accounts;
- (ii) Chattel Paper;
- (iii) Computer Hardware and Software and all rights with respect thereto, including, without limitation, any and all licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and

indemnifications, and any substitutions, replacements, additions or model conversions of any of the foregoing;

- (iv) Deposit Accounts;
- (v) Documents;
- (vi) Financial Assets;
- (vii) General Intangibles;
- (viii) Goods (including all of its Equipment, Fixtures and Inventory), and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;
- (ix) Instruments;
- (x) Intellectual Property;
- (xi) Investment Property (including, without limitation, Commodity Accounts, Commodity Contracts, Securities (whether Certified Securities or Uncertified Securities) Security Entitlements and Securities Accounts);
- (xii) money (of every jurisdiction whatsoever); and
- (xiii) to the extent not included in the foregoing, other personal property of any kind or description;

together with all books, records, writings, data bases, information and other property relating to, used or useful in connection with, or evidencing, embodying, incorporating or referring to any of the foregoing, and all proceeds, products, offspring, rents, issues, profits, distributions on, rights arising out of, returns of and from, and any and all claims and/or insurance payments arising out of the loss, nonconformity or interference with the use of, defects or infringements of rights in, or damage to, any of the foregoing; provided that to the extent that the provisions of any lease or license of Computer Hardware and Software or Intellectual Property expressly prohibit (which prohibition is enforceable under applicable law) the assignment thereof, and the grant of a security interest therein, such Debtor's rights in such lease or license shall be excluded from the foregoing assignment and grant for so long as such prohibition continues, it being understood that upon request of the Agent, such Debtor will in good

faith use reasonable efforts to obtain consent for the creation of a security interest in favor of the Agent in such Debtor's rights under such lease or license.

3. Warranties. Each Debtor warrants that: (i) no financing statement (other than any which may have been filed on behalf of the Agent or in connection with liens expressly permitted by the Credit Agreement ("Permitted Liens") covering any of the Collateral is on file in any public office; (ii) such Debtor is and will be the lawful owner of all Collateral, free of all liens and claims whatsoever, other than the security interest hereunder and Permitted Liens, with full power and authority to execute this Agreement and perform such Debtor's obligations hereunder, and to subject the Collateral to the security interest hereunder; (iii) all information with respect to Collateral and Account Debtors set forth in any schedule, certificate or other writing at any time heretofore or hereafter furnished by such Debtor to the Agent or any Lender Party is and will be true and correct in all material respects as of the date furnished; (iv) such Debtor's true legal name as registered in the jurisdiction in which such Debtor is organized or incorporated, state of organization or incorporation, organizational identification number as designated by its state of organization or incorporation, chief executive office and principal place of business are as set forth on Schedule I hereto (and such Debtor has not maintained its chief executive office and principal place of business at any other location at any time after September 30, 1999); (v) each other location where such Debtor maintains a place of business or keeps Goods is set forth on Schedule II hereto; (vi) except as set forth on Schedule III hereto, such Debtor is not now known and during the five years preceding the date hereof has not previously been known by any trade name; (vii) except as set forth on Schedule III hereto, during the five years preceding the date hereof such Debtor has not been known by any legal name different from the one set forth on the signature pages of this Agreement nor has such Debtor been the subject of any merger or other corporate reorganization; (viii) Schedule IV hereto contains a complete listing of all of such Debtor's Intellectual Property which is subject to registration statutes; (ix) such Debtor is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation; (x) the execution and delivery of this Agreement and the performance by such Debtor of its obligations hereunder are within such Debtor's corporate powers, have been duly authorized by all necessary corporate action, have received all necessary governmental approval (if any shall be required), and do not and will not contravene or conflict with any provision of law or of the charter or by-laws of such Debtor or of any material agreement, indenture, instrument or other document, or any material judgment, order or decree, which is binding upon

such Debtor; (xi) this Agreement is a legal, valid and binding obligation of such Debtor, enforceable in accordance with its terms, except that the enforceability of this Agreement may be limited by bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law); and (xii) such Debtor is in compliance with the requirements of all applicable laws (including the provisions of the Fair Labor Standards Act), rules, regulations and orders of every governmental authority, the non-compliance with which would reasonably be expected to result in a Material Adverse Effect.

4. Collections, etc. Until such time during the existence of a Default as the Agent shall notify such Debtor of the revocation of such power and authority, each Debtor (a) may, in the ordinary course of its business, at its own expense, sell, lease or furnish under contracts of service any of the Inventory normally held by such Debtor for such purpose, use and consume, in the ordinary course of its business, any raw materials, work in process or materials normally held by such Debtor for such purpose, and use, in the ordinary course of its business (but subject to the terms of the Credit Agreement), the cash proceeds of Collateral and other money which constitutes Collateral, (b) will, at its own expense, endeavor to collect, as and when due, all amounts due under any of the Non-Tangible Collateral, including the taking of such action with respect to such collection as the Agent may reasonably request or, in the absence of such request, as such Debtor may deem advisable, and (c) may grant, in the ordinary course of business, to any party obligated on any of the Non-Tangible Collateral, any rebate, refund or allowance to which such party may be lawfully entitled, and may accept, in connection therewith, the return of Goods, the sale or lease of which shall have given rise to such Non-Tangible Collateral. The Agent, however, may, at any time that a Default exists, whether before or after any revocation of such power and authority or the maturity of any of the Liabilities, notify any parties obligated on any of the Non-Tangible Collateral to make payment to the Agent of any amounts due or to become due thereunder and enforce collection of any of the Non-Tangible Collateral by suit or otherwise and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby. Upon the request of the Agent during the existence of a Default, each Debtor will, at its own expense, notify any or all parties obligated on any of the Non-Tangible Collateral to make payment to the Agent of any amounts due or to become due thereunder.

Upon request by the Agent during the existence of a Default, each Debtor will forthwith, upon receipt, transmit and deliver to the Agent, in the form received, all cash, checks, drafts and other instruments or writings for the payment of money (properly endorsed, where required, so that such items may be collected by the Agent) which may be received by such Debtor at any time in full or partial payment or otherwise as proceeds of any of the Collateral. Except as the Agent may otherwise consent in writing, any such items which may be so received by any Debtor will not be commingled with any other of its funds or property, but will be held separate and apart from its own funds or property and upon express trust for the Agent until delivery is made to the Agent. Each Debtor will comply with the terms and conditions of any consent given by the Agent pursuant to the foregoing sentence.

During the existence of a Default, all items or amounts which are delivered by any Debtor to the Agent on account of partial or full payment or otherwise as proceeds of any of the Collateral shall be deposited to the credit of a deposit account (each an "Assignee Deposit Account") of such Debtor with LaSalle (or another financial institution selected by the Agent) over which the Agent has sole dominion and control, as security for payment of the Liabilities. No Debtor shall have any right to withdraw any funds deposited in the applicable Assignee Deposit Account. The Agent may, from time to time, in its discretion, and shall upon request of the applicable Debtor made not more than once in any week, apply all or any of the then balance, representing collected funds, in the Assignee Deposit Account toward payment of the Liabilities, whether or not then due, in such order of application as the Agent may determine, and the Agent may, from time to time, in its discretion, release all or any of such balance to the applicable Debtor.

During the existence of a Default, the Agent (or any designee of the Agent) is authorized to endorse, in the name of the applicable Debtor, any item, howsoever received by the Agent, representing any payment on or other proceeds of any of the Collateral.

5. Certificates, Schedules and Reports. Each Debtor will from time to time, as the Agent may request, deliver to the Agent such schedules, certificates and reports respecting all or any of the Collateral at the time subject to the security interest hereunder, and the items or amounts received by such Debtor in full or partial payment of any of the Collateral, as the Agent may reasonably request. Any such schedule, certificate or report shall be executed by a duly authorized officer of such Debtor and shall be in such form and detail as the Agent may specify. Each Debtor shall immediately notify the Agent of the occurrence of



any event causing any loss or depreciation in the value of its Inventory or other Goods which is material to the Company and its Subsidiaries taken as a whole, and such notice shall specify the amount of such loss or depreciation.

6. Agreements of the Debtors. Each Debtor (a) will, upon request of the Agent, execute such financing statements and other documents (and pay the cost of filing or recording the same in all public offices reasonably deemed appropriate by the Agent) and do such other acts and things (including, delivery to the Agent of any Instruments or Certificated Securities which constitute Collateral), all as the Agent may from time to time reasonably request, to establish and maintain a valid security interest in the Collateral (free of all other liens, claims and rights of third parties whatsoever, other than Permitted Liens) to secure the payment of the Liabilities; (b) hereby authorizes the Agent to file such financing statements without such Debtor's signature (to the extent allowed by applicable law); (c) will keep all its Inventory, Equipment and other Goods at, and will not maintain any place of business at any location other than, its address(es) shown on Schedules I and II hereto or at such other addresses of which such Debtor shall have given the Agent not less than 10 days' prior written notice; (d) shall not change its state of organization or incorporation or its name, identity or corporate structure such that any financing statement filed would become seriously misleading; (e) will keep its records concerning the Non-Tangible Collateral in such a manner as will enable the Agent or its designees to determine at any time the status of the Non-Tangible Collateral; (f) will furnish the Agent such information concerning such Debtor, the Collateral and the Account Debtors as the Agent may from time to time reasonably request; (g) will permit the Agent and its designees, from time to time, on reasonable notice and at reasonable times and intervals during normal business hours (or at any time without notice during the existence of an Event of Default) to inspect such Debtor's Inventory and other Goods, and to inspect, audit and make copies of and extracts from all records and other papers in the possession of such Debtor pertaining to the Collateral and the Account Debtors, and will, upon request of the Agent during the existence of a Default, deliver to the Agent all of such records and papers; (h) will, upon request of the Agent, stamp on its records concerning the Collateral, and add on all Chattel Paper constituting a portion of the Collateral, a notation, in form satisfactory to the Agent, of the security interest of the Agent hereunder; (i) except for the sale or lease of Inventory in the ordinary course of its business and sales of Equipment which is no longer useful in its business or which is being replaced by similar Equipment, will not sell, lease, assign or create or permit to exist any Lien on any Collateral other than Permitted Liens; (j) without limiting the provisions of Section 10.3 of the

Credit Agreement, will at all times keep all of its Inventory and other Goods insured under policies maintained with reputable, financially sound insurance companies against loss, damage, theft and other risks to such extent as is customarily maintained by companies similarly situated, and cause all such policies to provide that loss thereunder shall be payable to the Agent as its interest may appear (it being understood that (A) so long as no Default shall be existing, the Agent shall deliver any proceeds of such insurance which may be received by it to such Debtor and (B) whenever a Default shall be existing, the Agent may apply any proceeds of such insurance which may be received by it toward payment of the Liabilities, whether or not due, in such order of application as the Agent may determine), and such policies or certificates thereof shall, if the Agent so requests, be deposited with or furnished to the Agent; (k) will take such actions as are reasonably necessary to keep its Inventory in good repair and condition; (l) will take such actions as are reasonably necessary to keep its Equipment in good repair and condition and in good working order, ordinary wear and tear excepted; (m) will promptly pay when due all license fees, registration fees, taxes, assessments and other charges which may be levied upon or assessed against the ownership, operation, possession, maintenance or use of its Equipment and other Goods; (n) will, upon request of the Agent, (i) cause to be noted on the applicable certificate, in the event any of its Equipment is covered by a certificate of title, the security interest of the Agent in the Equipment covered thereby, and (ii) deliver all such certificates to the Agent or its designees; (o) will take all steps reasonably necessary to protect, preserve and maintain all of its rights in the Collateral; (p) except as listed on Schedule V, will keep all of the tangible Collateral, Deposit Accounts and Investment Property in the United States; and (q) will reimburse the Agent for all expenses, including reasonable attorney's fees and charges (including time charges of attorneys who are employees of the Agent), incurred by the Agent in seeking to collect or enforce any rights in respect of such Debtor's Collateral.

Any expenses incurred in protecting, preserving or maintaining any Collateral shall be borne by the applicable Debtor. Whenever a Default shall be existing, the Agent shall have the right to bring suit to enforce any or all of the Intellectual Property or licenses thereunder, in which event the applicable Debtor shall at the request of the Agent do any and all lawful acts and execute any and all proper documents required by the Agent in aid of such enforcement and such Debtor shall promptly, upon demand, reimburse and indemnify the Agent for all costs and expenses incurred by the Agent in the exercise of its rights under this Section 6. Notwithstanding the foregoing, the Agent shall have no obligation or liability regarding the

Collateral or any thereof by reason of, or arising out of, this Agreement.

7. Default. Whenever an Event of Default shall be existing, the Agent may exercise from time to time any right or remedy available to it under applicable law. Each Debtor agrees, in case of an Event of Default, (i) to assemble, at its expense, all its Inventory and other Goods (other than Fixtures) at a convenient place or places acceptable to the Agent, and (ii) at the Agent's request, to execute all such documents and do all such other things which may be necessary or desirable in order to enable the Agent or its nominee to be registered as owner of the Intellectual Property with any competent registration authority. Any notification of intended disposition of any of the Collateral required by law shall be deemed reasonably and properly given if given at least ten days before such disposition. Any proceeds of any disposition by the Agent of any of the Collateral may be applied by the Agent to payment of expenses in connection with the Collateral, including reasonable attorney's fees and charges (including time charges of attorneys who are employees of the Agent), and any balance of such proceeds may be applied by the Agent toward the payment of such of the Liabilities, and in such order of application, as the Agent may from time to time elect.

8. General. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as any applicable Debtor requests in writing, but failure of the Agent to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of the Agent to preserve or protect any right with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by any Debtor, shall be deemed of itself a failure to exercise reasonable care in the custody or preservation of such Collateral.

Each Debtor agrees that a carbon, photographic or other reproduction of this Agreement is sufficient as a financing statement.

Any notice from the Agent to any Debtor, if mailed, shall be deemed given five days after the date mailed, postage prepaid, addressed to such Debtor either at such Debtor's address shown on Schedule II hereto or at such other address as such Debtor shall have specified in writing to the Agent as its address for notices hereunder.

Each of the Debtors agrees to pay all expenses, including reasonable attorney's fees and charges (including time charges of

attorneys who are employees of the Agent or any Lender Party) paid or incurred by the Agent or any Lender Party in endeavoring to collect the Liabilities of such Debtor, or any part thereof, and in enforcing this Agreement against such Debtor, and such obligations will themselves be Liabilities.

No delay on the part of the Agent in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Agent of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

This Security Agreement shall remain in full force and effect until all Liabilities have been paid in full and all Commitments have terminated. If at any time all or any part of any payment theretofore applied by the Agent or any Lender Party to any of the Liabilities is or must be rescinded or returned by the Agent or such Lender Party for any reason whatsoever (including the insolvency, bankruptcy or reorganization of any Debtor), such Liabilities shall, for the purposes of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Agent or such Lender Party, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such Liabilities, all as though such application by the Agent or such Lender Party had not been made.

This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois applicable to contracts made and to be performed entirely within such State, subject, however, to the applicability of the UCC of any jurisdiction in which any Goods of any Debtor may be located at any given time. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

The rights and privileges of the Agent hereunder shall inure to the benefit of its successors and assigns.

This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement. At any time after the date of this Agreement, one or more additional Persons may become parties hereto by executing

and delivering to the Agent a counterpart of this Agreement together with supplements to the Schedules hereto setting forth all relevant information with respect to such party as of the date of such delivery. Immediately upon such execution and delivery (and without any further action), each such additional Person will become a party to, and will be bound by all the terms of, this Agreement.

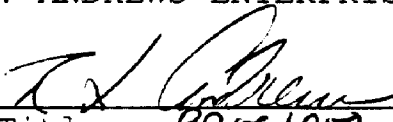
ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF ILLINOIS OR IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS; PROVIDED THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH DEBTOR HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF ILLINOIS AND OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. EACH DEBTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, TO THE ADDRESS SET FORTH ON SCHEDULE I HERETO (OR SUCH OTHER ADDRESS AS IT SHALL HAVE SPECIFIED IN WRITING TO THE AGENT AS ITS ADDRESS FOR NOTICES HEREUNDER) OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF ILLINOIS. EACH DEBTOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

EACH DEBTOR, THE AGENT AND (BY ACCEPTING THE BENEFITS HEREOF) EACH LENDER PARTY HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, ANY NOTE, ANY OTHER LOAN DOCUMENT AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH OR ARISING FROM ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH ANY OF THE FOREGOING, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first above written.

**DEBTORS:**

R.S. ANDREWS ENTERPRISES, INC.

By:   
Title: President

ALLSAFE TERMITE & PEST CONTROL, INC.  
BUILDING SYSTEMS ANALYSIS CO., INC.  
PREMIER SERVICE SYSTEMS, INC.  
R.S. ANDREWS ENTERPRISES OF ALABAMA, INC.  
R.S. ANDREWS ENTERPRISES OF CHARLESTON, INC.  
R.S. ANDREWS ENTERPRISES OF COLUMBUS, INC.  
R.S. ANDREWS ENTERPRISES OF DALLAS, INC.  
R.S. ANDREWS ENTERPRISES OF KANSAS, INC.  
R.S. ANDREWS ENTERPRISES OF NORTH CAROLINA, INC.  
R.S. ANDREWS ENTERPRISES OF SOUTH CAROLINA, INC.  
R.S. ANDREWS ENTERPRISES OF TENNESSEE, INC.  
R.S. ANDREWS ENTERPRISES OF TOPEKA, INC.  
R.S. ANDREWS ENTERPRISES OF VIRGINIA, INC.  
R.S. ANDREWS OF CHATTANOOGA, INC.  
R.S. ANDREWS OF DESOTO, INC.  
R.S. ANDREWS OF FAIRFAX, INC.  
R.S. ANDREWS OF FLORIDA, INC.  
RSA SERVICES OF FLORIDA, INC.  
R.S. ANDREWS OF GRAND PRAIRIE, INC.  
R.S. ANDREWS OF GRAPEVINE, INC.  
R.S. ANDREWS OF JONESBORO, INC.  
R.S. ANDREWS OF MARYLAND, INC.  
R.S. ANDREWS OF ORLANDO, INC.  
R.S. ANDREWS OF PALM BEACH, INC.  
R.S. ANDREWS OF SACRAMENTO, INC.  
R.S. ANDREWS SERVICES, INC.

R.S. ANDREWS SHOWCASE OF ATLANTA,  
INC.  
R.S. ANDREWS OF STUART I, INC.  
R.S. ANDREWS OF STUART - II, INC.  
R.S. ANDREWS OF TIDEWATER, INC.  
R.S. ANDREWS OF VERO BEACH, INC.  
R.S. ANDREWS OF WILMINGTON, INC.

By: *T. J. [Signature]*  
Title: *President*

AGENT:

LASALLE BANK NATIONAL ASSOCIATION,  
as Agent.

By: *Ann J. Campbell*  
Title: *First Vice President*

Signature page for the Security Agreement dated as of March 17, 2000 among R.S. Andrews Enterprises, Inc. (the "Company"), various subsidiaries of the Company and LaSalle Bank National Association as agent for the Lender Parties referred to herein.

The undersigned is executing a counterpart hereof for purposes of becoming a party hereto (and attached to this signature page are supplements to the Schedules to the Security Agreement setting forth all relevant information with respect to the undersigned):

[ADDITIONAL DEBTOR]

By: \_\_\_\_\_  
Title: \_\_\_\_\_



## SCHEDULE I TO SECURITY AGREEMENT

### Subsidiaries – States of Organization – Chief Executive Offices

The Chief Executive Office for ALL Companies is: 3510 DeKalb Technology Parkway  
Atlanta, Georgia 30340

<u>Company</u>	<u>State of Organization</u>
1. R. S. Andrews Enterprises, Inc.	Delaware
2. AllSafe Thermite & Pest Control, Inc.	Georgia
3. Building Systems Analysis Co., Inc.	Georgia
4. Premier Service Systems, Inc.	Georgia
5. R.S. Andrews Enterprises of Alabama, Inc.	Georgia
6. R.S. Andrews Enterprises of Charleston, Inc.	Georgia
7. R.S. Andrews Enterprises of Columbus, Inc.	Georgia
8. R.S. Andrews Enterprises of Dallas, Inc.	Georgia
9. R.S. Andrews Enterprises of Kansas, Inc.	Georgia
10. R.S. Andrews Enterprises of North Carolina, Inc.	Georgia
11. R.S. Andrews Enterprises of South Carolina, Inc.	Georgia
12. R.S. Andrews Enterprises of Tennessee, Inc.	Georgia
13. R.S. Andrews Enterprises of Topeka, Inc.	Georgia
14. R.S. Andrews Enterprises of Virginia, Inc.	Georgia
15. R.S. Andrews of Chattanooga, Inc.	Georgia
16. R.S. Andrews of DeSoto, Inc.	Georgia
17. R.S. Andrews of Fairfax, Inc.	Georgia
18. R.S. Andrews of Florida, Inc.	Georgia
19. R.S. Andrews of Grand Prairie, Inc.	Georgia
20. R.S. Andrews of Grapevine, Inc.	Georgia
21. R.S. Andrews of Jonesboro, Inc.	Georgia
22. R.S. Andrews of Maryland, Inc.	Georgia
23. R.S. Andrews of Orlando, Inc.	Georgia
24. R.S. Andrews of Palm Beach, Inc.	Georgia
25. R.S. Andrews of Sacramento, Inc.	Georgia
26. R.S. Andrews Services, Inc.	Georgia
27. RSA Services of Florida, Inc.	Georgia
28. R.S. Andrews Showcase of Atlanta, Inc.	Georgia
29. R.S. Andrews of Stuart I, Inc.	Georgia
30. R.S. Andrews of Stuart II, Inc.	Georgia
31. R.S. Andrews of Tidewater, Inc.	Georgia
32. R.S. Andrews of Vero Beach, Inc.	Georgia
33. R.S. Andrews of Wilmington, Inc.	Georgia

**SCHEDULE II TO SECURITY AGREEMENT**

**Addresses**

<b>Company</b>	<b>Address</b>
1. R. S. Andrews Enterprises, Inc.	3510 DeKalb Technology Parkway Atlanta, Georgia 30340
2. AllSafe Termite & Pest Control, Inc.	105 Bradford Square Fayetteville, Georgia 30214 And 1105 Alderman Drive, Ste. 114 Alpharetta, Georgia 30005
3. Building Systems Analysis Co., Inc.	1872 Independence Square – Ste. A Atlanta, Georgia 30338
4. Premier Service Systems, Inc.	3510 DeKalb Technology Parkway Atlanta, Georgia 30340
5. R. S. Andrews Enterprises of Alabama, Inc.	1311 9 <sup>th</sup> Avenue North Bessemer, Alabama 35020
6. R.S. Andrews Enterprises of Charleston, Inc.	5915 Loftis Road Hanahan, South Carolina 29406
7. R. S. Andrews Enterprises of Columbus, Inc.	4536 Peek Industrial Drive Columbus, Georgia 31909
8. R. S. Andrews Enterprises of Dallas, Inc.	1408 Avenue 'O' – Ste. 100 Plano, Texas 75074
9. R. S. Andrews Enterprises of Kansas, Inc.	2017 W. 104 <sup>th</sup> Street Leawood, Kansas 66206 and 7440 Morrill Road Wakarusa, Kansas 66546
10. R. S. Andrews Enterprises of North Carolina, Inc.	5116 Departure Drive Raleigh, North Carolina 27616
11. R. S. Andrews Enterprises of South Carolina, Inc.	111 David Road Spartanburg, South Carolina 29303
12. R. S. Andrews Enterprises of Tennessee, Inc.	3909 Schaad Road Knoxville, Tennessee 37921
13. R. S. Andrews Enterprises of Topeka, Inc.	Not Active
14. R. S. Andrews Enterprises of Virginia, Inc.	In Dissolution
15. R. S. Andrews of Chattanooga, Inc.	6200 Highway 58 Harrison, Tennessee 37341
16. R. S. Andrews of DeSoto, Inc.	Not Active
17. R. S. Andrews of Fairfax, Inc.	5609-D Sandy Lewis Drive Fairfax, Virginia 22032
18. R. S. Andrews of Florida, Inc.	3102 S.E. Jay Street Stuart, Florida 34997
19. R. S. Andrews of Grand Prairie, Inc.	Not Active
20. R. S. Andrews of Grapevine, Inc.	Not Active
21. R. S. Andrews of Jonesboro, Inc.	8049 Fair Oaks Court Jonesboro, Georgia 30236
22. R. S. Andrews of Maryland, Inc.	152-D Blades Lane Glen Burnie, Maryland 21060
23. R. S. Andrews of Orlando, Inc.	Not Active
24. R. S. Andrews of Palm Beach, Inc.	170 Business Park Way Royal Palm Beach, Florida 33411

25. R. S. Andrews of Sacramento, Inc.	Not Active
26. R. S. Andrews Services, Inc.	3520 DeKalb Technology Parkway Atlanta, GA 30340 And 1614 Lower Roswell Road Marietta, Georgia 30068 And 200 Tiger Way Peachtree City, Georgia 30269
27. RSA Services of Florida, Inc.	Not Active
28. R. S. Andrews Showcase of Atlanta, Inc.	Not Active
29. R. S. Andrews of Stuart – I, Inc.	Not Active
30. R. S. Andrews of Stuart – II, Inc.	3000 S.E. Waaler Street Stuart, Florida 34997
31. R. S. Andrews of Tidewater, Inc.	4400 Portsmouth Blvd. Portsmouth, Virginia 23701
32. R. S. Andrews of Vero Beach, Inc.	Not Active
33. R. S. Andrews of Wilmington, Inc.	810 Stanton Road Wilmington, Delaware 19804

**SCHEDULE III TO SECURITY AGREEMENT**

**Trade Names, Prior Legal Names, Etc.**

<b>Company</b>	<b>Trade Name</b>	<b>Prior Legal Names</b>
R. S. Andrews Enterprises, Inc.	N/A	N/A
AllSafe Termite & Pest Control, Inc.	RSA Services Termite & Pest Control	R.S. Andrews Termite & Pest Control, Inc. R.S. Andrews Termite & Pest Control of Alpharetta, Inc. R.S. Andrews Termite & Pest Control of Fayetteville, Inc.
2. Building Systems Analysis Co., Inc.	N/A	Building Systems Analysis, Inc.
3. Premier Service Systems, Inc.	N/A	N/A
4. R. S. Andrews Enterprises of Alabama, Inc.	Hamrick-Daviston Heating & Air Conditioning	Hamrick-Daviston Heating & Air Conditioning, Inc.
5. R. S. Andrews Enterprises of Charleston, Inc.	Berkeley Heating Co.	Berkeley
6. R. S. Andrews Enterprises of Columbus, Inc.	Holt Service Co. AAA Service Co.	Holt Service Co., Inc. AAA Service Co., Inc.
7. R. S. Andrews Enterprises of Dallas, Inc.	Total Heat & Air Total Air & Heat	Total Heat & Air, Inc.
8. R. S. Andrews Enterprises of Kansas, Inc.	A.B. May Sales and Service Company A-1 Appliance, Plumbing, Heating, Cooling Bone Plumbing	Bone Plumbing, Inc. A-1 Appliance, Plumbing, Heating, Cooling, Inc. R.S. Andrews Enterprises of Missouri, Inc. A.B. May Sales and Service Company, Inc.
9. R. S. Andrews Enterprises of North Carolina, Inc.	Raleigh Air	Raleigh Air, Inc.
10. R. S. Andrews Enterprises of South Carolina, Inc.	Davis Heating and Air Conditioning Atkins Heating & Air	Davis Heating and Air Conditioning, Inc. Atkins Heating & Air, Inc.
11. R. S. Andrews Enterprises of Tennessee, Inc.	Air Professionals	Air Professionals, Inc.
12. R. S. Andrews Enterprises of Topeka, Inc.	N/A	N/A
13. R. S. Andrews Enterprises of Virginia, Inc.	N/A	Nansemond Heating & Cooling, Inc.
14. R. S. Andrews of Chattanooga, Inc.	Carter Heating and Air Conditioning	Dieter Ku'berg & Associates, Inc.
15. R. S. Andrews of DeSoto, Inc.	N/A	N/A
16. R. S. Andrews of Fairfax, Inc.	Simpson Heating and Cooling	David A. Simpson Corporation
17. R. S. Andrews of Florida, Inc.	Deep South Cooling & Heating C & R Air Conditioning C & R Services Ductbusters	Deep South Cooling & Heating, Inc.
18. R. S. Andrews of Grand Prairie, Inc.	N/A	N/A
19. R. S. Andrews of Grapevine, Inc.	N/A	N/A
20. R. S. Andrews of Jonesboro, Inc.	Reese Heating & Air Conditioning	Reese Heating & Air Conditioning Co.
21. R. S. Andrews of Maryland, Inc.	Chilltrol	Chilltrol, Inc.

22. R. S. Andrews of Orlando, Inc.	N/A	N/A
23. R. S. Andrews of Palm Beach, Inc.	Ewing Air Ewing Airtronics	Ewing Airtronics, Inc.
24. R. S. Andrews of Sacramento, Inc.	N/A	N/A
25. R. S. Andrews Services, Inc.	N/A	R.S. Andrews Plumbing Co., Inc. MDR Services, Inc. R.S. Andrews Enterprises of Marietta, Inc. R.S. Andrews Enterprises of North Georgia, Inc. Powers Heating and Air Conditioning, Inc.
26. RSA Services of Florida, Inc.	N/A	N/A
27. R. S. Andrews Showcase of Atlanta, Inc.	N/A	N/A
28. R. S. Andrews of Stuart – I, Inc.	N/A	N/A
29. R. S. Andrews of Stuart – II, Inc.	Arrow Plumbing of Martin County	Arrow Plumbing of Martin County, Inc.
30. R. S. Andrews of Tidewater, Inc.	N/A	N/A
31. R. S. Andrews of Vero Beach, Inc.	N/A	N/A
32. R. S. Andrews of Wilmington, Inc.	Joseph Frederick & Sons	Joseph Frederick & Sons, Inc.

**SCHEDULE IV TO SECURITY AGREEMENT**

**Patents:**

None.

**Trademarks:**

<u>Name</u>	<u>Registration No.</u>	<u>Country</u>	<u>Company Name</u>
-------------	-------------------------	----------------	---------------------

See attached List of Intellectual Property

**Copyrights:**

None.

**R. S. ANDREWS ENTERPRISES, INC.**

**INTELLECTUAL PROPERTY LIST**

March 17, 2000

**Federal Trademarks**

Premier Service Systems, Inc. has filed **intent to use** applications with the United States Patent and Trademark Office to register the following two marks:

<b><u>Mark</u></b>	<b><u>Serial No.</u></b>	<b><u>Filing Date</u></b>	<b><u>Usage</u></b>
Excalibur Service Management Systems	75/564,364	October 5, 1998	Computer software, namely a full-featured, customizable business software application designed to organize and automate the operations of a multitrade field service enterprise ...
Excalibur Service Management Systems and Design	75/564,363	October 5, 1998	Computer software, namely a full-featured, customizable business software application designed to organize and automate the operations of a multitrade field service enterprise ...

**STATUS:** A Notice of Allowance was issued with respect to the first application (the name) on November 16, 1999. On January 25, 2000 we filed a Request for Extension of Time to File a Statement of Use. The second application (the logo) was abandoned for failure to submit a revised drawing of the logo (the one submitted was too "grey"; the drawing needs to include "stipling") by mid-October, 1999.

AllSafe Termite & Pest Control, Inc. has filed an intent to use application with the United States Patent and Trademark Office to register the following mark:

<u>Mark</u>	<u>Serial No.</u>	<u>Filing Date</u>	<u>Usage</u>
AllSafe	75/536,643	August 14, 1998	Provision of termite and pest control services

**STATUS:** A Notice of Allowance was issued with respect to the application on September 14, 1999. Since we did not file a Statement of Use or a Request for Extension of Time to File a Statement of Use by March 13, 2000, the application will be abandoned. This application was filed prior to the Georgia Structural Pest Control Commission refusing to allow us to use the name AllSafe in conducting termite and pest control services in Georgia. This is why it was decided to abandon this application.

R. S. Andrews Enterprises, Inc. has filed actual use applications with the United States Patent and Trademark Office to register the following marks:

<u>Mark</u>	<u>Serial No.</u>	<u>Filing Date</u>	<u>Usage</u>
WorkForce Trust	75/654,350	✓ March 5, 1999	Installation, maintenance, repair and replacement services for heating, ventilation, air conditioning, plumbing and electrical equipment, roofs, windows and appliances; and termite and pest control services
WorkForce Trust and Design	75/660,428	✓ March 15, 1999	Installation, maintenance, repair and replacement services for heating, ventilation, air conditioning, plumbing and electrical equipment, roofs, windows and appliances; and termite and pest control services
One Call...One Company... We've Got You Covered	75/674,527	April 5, 1999	Installation, maintenance, repair and replacement services for heating, ventilation, air conditioning,



plumbing and electrical equipment, roofs, windows and appliances; and termite and pest control services

**STATUS:** With respect to the two WORKFORCE TRUST applications, Office Actions were issued on August 25, 1999, requesting substitute specimens and certain other minor application changes. Because of technical difficulties, the application is being refiled. With respect to ONE CALL, we received a Notice of Publication dated November 26, 1999. Publication of the mark occurred on December 28, 1999. A Certificate of Registration will hopefully be issued in early Spring, 2000.

### Georgia Trademarks

R.S. Andrews Services, Inc. has registered the following service marks with the Georgia Secretary of State:

<u>Mark</u>	<u>Registration Date</u>	<u>Expiration Date</u>	<u>Usage</u>
R.S. Andrews	July 31, 1995	July 31, 2005	Sale of heating, air conditioning, ventilation, electrical and plumbing equipment and products and related home warranties and appliances
R.S. Andrews & Design	July 31, 1995	July 31, 2005	Sale of heating, air conditioning, ventilation, electrical and plumbing equipment and products and related home warranties and appliances
R. S. Andrews	July 31, 1995	July 31, 2005	Installation, repair and maintenance of heating, air conditioning, ventilation, electrical and plumbing systems, and appliances
R. S. Andrews & Design	July 31, 1995	July 31, 2005	Installation, repair and maintenance of heating, air conditioning, ventilation,

			electrical and plumbing systems, and appliances
RSA	September 15, 1995	September 15, 2005	Business services related to termite and pest control, radon monitoring and home inspection
Peace of Mind Home Service Plan	October 9, 1992	October 9, 2002	Limited home owner warranty of home systems

**Registered Trade Names**

The following trade names have been registered by the following entities:

<b><u>Name of Entity</u></b>	<b><u>Trade Name</u></b>	<b><u>Where Registered</u></b>
AllSafe Termite & Pest Control, Inc.	RSA Services Termite & Pest Control	Fulton County, Georgia
AllSafe Termite & Pest Control, Inc.	RSA Services Termite & Pest Control	DeKalb County, Georgia
AllSafe Termite & Pest Control, Inc., as successor by merger to R.S. Andrews Termite & Pest Control of Fayetteville, Inc.	RSA Services Termite & Pest Control	Fulton County, Georgia
AllSafe Termite & Pest Control, Inc., as successor by merger to R.S. Andrews Termite & Pest Control of Fayetteville, Inc.	RSA Services Termite & Pest Control	Fayette County, Georgia
AllSafe Termite & Pest Control, Inc., as successor by merger to R.S. Andrews Termite & Pest Control of Alpharetta, Inc.	RSA Services Termite & Pest Control	Fulton County, Georgia

**Unregistered Marks and Trade Names**

R.S. Andrews Services, Inc. also does business as "Rich's Heating and Air Conditioning".

R.S. Andrews Services, Inc. has the right to use the unregistered service mark "Georgia Plumbing Company" in connection with its business in and around Gainesville, Georgia.

R. S. Andrews Enterprises, Inc. has also conducted trademark searches of the following marks in connection with the following goods and services:

<u>Mark</u>	<u>Goods or Services</u>	<u>Status</u>
CapitalCare	Equipment maintenance services	Application in process

**SCHEDULE V TO SECURITY AGREEMENT**

**Collateral Not Located In The United States:**

None.