

W-17-00
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101519192

To the Honorable Commissioner of Patents and Trademarks, attached original documents or copy thereof.

1. Name of conveying party(ies):

Phillips & King International, Inc.

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

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

3. Nature of conveyance:

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

Execution Date: October 12, 2000

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

Name: Wells Fargo Credit, Inc.

Internal Address: Attn: P&K Acct Officer

Street Address: 245 S. Los Robles Ave., Ste 600

City: Pasadena State: CA ZIP: 91101

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Minnesota
- 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) or registration number(s):

A. Trademark Application No.(s)

see attached list

B. Trademark registration No.(s)

see attached list

Additional numbers attached? Yes No

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

Name: Sheppard, Mullin, Richter & Hampton LLP

Internal Address: Attn: J. Cravitz

Street Address: 333 S. Hope St., 48th Floor

City: Los Angeles State: CA ZIP: 90071

6. Total number of applications and registrations involved:

14

7. Total fee (37 CFR 3.41): \$ 365.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

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

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.

Mark A. Spitzer, Esq.
Name of Person Signing

Nov. 16, 2000
Date

Total number of pages comprising cover sheet:

15

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

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

11/20/2000 DNGUYEN 00000106 1801007

01 FC:481
02 FC:482

40.00 OP
325.00 OP

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

Public burden reporting for this sample cover 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.

SCHEDULE 1

United States Issued Trademarks, Service Marks
and Collective Membership Marks

REGISTRATIONS

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
La Siesta	1,801,007	October 26, 1993
Sierra Sweet and design	2,180,670	August 11, 1998
Moreno Maduro	1,059,525	February 15, 1977
Robusto Rejects	2,104,443	October 7, 1997
Caramba	1,062,429	March 29, 1977
La Bala	1,062,430	March 29, 1977
P&K	1,657,578	September 17, 1991
P K	1,658,475	September 24, 1991
PK (Helmet & Shield Logo)	1,658,474	September 24, 1991
Phillips & King	1,660,027	October 8, 1991

APPLICATIONS

<u>Mark</u>	<u>Application Number</u>	<u>Application Date</u>
Jamaican Rounds	75-141,141	July 29, 1996
Churchill Rejects	75-575,449	October 21, 1998
Churchill Rejects	75-141,140	July 29, 1996
Sierra Sweet	75-149,173	August 12, 1996

TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement ("Agreement"), dated as of October 12, 2000, is made by and between PHILLIPS & KING INTERNATIONAL, INC., a California corporation whose address and principal place of business is 18021 Cortney Court, City of Industry, California 91748 (the "Debtor"), and WELLS FARGO BUSINESS CREDIT, INC., a Minnesota corporation with an address and place of business at 245 South Los Robles Avenue, Suite 600, Pasadena, California 91101 (the "Secured Party").

Recitals

The Debtor and the Secured Party have entered into a Credit and Security Agreement of even date herewith (as the same may hereafter be amended, supplemented or restated from time to time, the "Credit Agreement") setting forth the terms on which the Secured Party may now or hereafter make certain loans or other financial accommodations to or for the account of the Debtor.

As a further condition to making any loan or other financial accommodation under the Credit Agreement or otherwise, the Secured Party has required the execution and delivery of this Agreement by the Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Credit Agreement and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Obligations" means each and every debt, liability and obligation of every type and description arising under or in connection with any Loan Document (as defined in the Credit Agreement) which the Debtor may now or at any time hereafter owe to the Secured Party, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, independent, joint, several or joint and several, and including specifically, but not limited to, the Obligations (as defined in the Credit Agreement).

"Trademarks" means all of the Debtor's right, title and interest in and to trademarks, trade names, service marks, collective membership marks, the respective goodwill associated with each, and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit A.

2. Security Interest. The Debtor hereby irrevocably pledges and assigns to, and grants the Secured Party a security interest, with power of sale to the extent permitted by law (the "Security Interest"), in the Trademarks to secure payment of the Obligations.

3. Representations, Warranties and Agreements. The Debtor hereby represents, warrants and agrees as follows:

(a) **Existence; Authority.** The Debtor is a corporation, having full power to and authority to make and deliver this Agreement. The execution, delivery and performance of this Agreement by the Debtor have been duly authorized by all necessary action of the Debtor's board of directors, and if necessary its stockholders, and do not and will not violate the provisions of, or constitute a default under, any presently applicable law or its articles of incorporation or bylaws or any agreement presently binding on it. This Agreement has been duly executed and delivered by the Debtor and constitutes the Debtor's lawful, binding and legally enforceable obligation. The correct name of the Debtor is Phillips & King International, Inc. The authorization, execution, delivery and performance of this Agreement do not require notification to, registration with, or consent or approval by, any federal, state or local regulatory body or administrative agency.

(b) **Trademarks.** Exhibit A accurately lists all Trademarks owned or controlled by the Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all registrations pertaining thereto as of the date hereof.

(c) **Title.** The Debtor has absolute title to each Trademark listed on Exhibit A, free and clear of all security interests, liens and encumbrances, except the Security Interest. The Debtor (i) will have, at the time the Debtor acquires any rights in Trademarks hereafter arising, absolute title to each such Trademark free and clear of all security interests, liens and encumbrances, except the Security Interest, and (ii) will keep all Trademarks free and clear of all security interests, liens and encumbrances except the Security Interest.

(d) **No Sale.** The Debtor will not sell or otherwise dispose of the Trademarks, or any interest therein, without the Secured Party's prior written consent.

(e) **Defense.** The Debtor will at its own expense, and using its best efforts, protect and defend the Trademarks against all claims or demands of all persons other than the Secured Party.

(f) **Maintenance.** The Debtor will at its own expense maintain the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to register and all affidavits and renewals possible with respect to issued registrations. The Debtor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Trademark, nor fail to file any required affidavit in support thereof, without first providing the Secured Party: (i) sufficient written notice, as provided in the Credit Agreement, to allow the Secured Party to timely pay any such maintenance fees or annuity which may become due on any of said Trademarks, or to file any affidavit with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit, should such be necessary or desirable.

(g) **Secured Party's Right to Take Action.** If the Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Secured Party gives the Debtor written notice thereof (or, in the case of the agreements contained in subsection (g), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtor notifies the Secured Party that it intends to abandon a Trademark, the Secured Party may (but need not) perform or observe such covenant or agreement on behalf and in the name, place and stead of the Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure.

(h) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Debtor shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (h) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Secured Party at the highest rate then applicable to any of the Obligations.

(i) **Power of Attorney.** To facilitate the Secured Party's taking action under subsection (g) and exercising its rights under Section 6, the Debtor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Debtor under this Section 3, or, necessary for the Secured Party, after an Event of Default, to enforce or use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Trademarks to any third party. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the payment and performance of all Obligations (as defined therein).

4. **Debtor's Use of the Trademarks.** The Debtor shall be permitted to control and manage the Trademarks, including the right to exclude others from making, using or selling items covered by the Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. **Events of Default.** Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) the Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the representations or

warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Credit Agreement.

(b) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Trademarks.

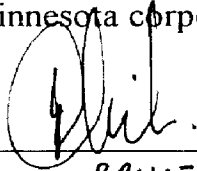
(c) The Secured Party may enforce the Trademarks and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

7. Miscellaneous. This Agreement has been duly and validly authorized by all necessary action, corporate or otherwise. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. The Secured Party shall not be obligated to preserve any rights the Debtor may have against prior parties, to realize on the Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Debtor and delivered to the Secured Party, and the Debtor waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Debtor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of California without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

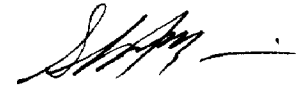
THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Trademark Security Agreement as of the date written above.

WELLS FARGO BUSINESS CREDIT,
INC., a Minnesota corporation

By: 
Name: BRUCE CHIK
Title: V.P.

PHILLIPS & KING INTERNATIONAL,
INC., a California corporation

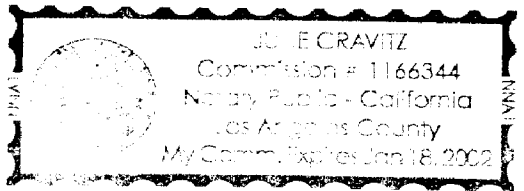
By: 
Name: Stephen A Musin
Title: Vice President & CFO

State of California)
)
County of Los Angeles)

On 10-12-00 before me, Julie Cravitz, Notary Public,
personally appeared Bruce Chik and Stephen Musin,

personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are subscribed to the within instrument and acknowledged to me that ~~he/she~~ they executed the same in ~~his/her~~ their authorized capacity(ies), and that by ~~his/her~~ their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Julie Cravitz

State of _____)
)
County of _____)

On _____ before me, _____, Notary Public,
personally appeared _____,

personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

EXHIBIT A

United States Issued Trademarks, Service Marks
and Collective Membership Marks

REGISTRATIONS

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
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Churchill Rejects	75-141,140	July 29, 1996
Sierra Sweet	75-149,173	August 12, 1996

COLLECTIVE MEMBERSHIP MARKS

None

UNREGISTERED MARKS

None

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is entered into as of October 12, 2000, between WELLS FARGO BUSINESS CREDIT, INC., a Minnesota corporation ("Assignor"), and WELLS FARGO CREDIT, INC., a Minnesota corporation ("Assignee").

WHEREAS, Assignor is the "Lender" under that certain Credit and Security Agreement dated as of October 12, 2000 (as amended, modified, supplemented or restated from time to time, the "Credit Agreement") among Phillips & King International, Inc., a California corporation ("Borrower"), and Assignor, as the Lender. Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Credit Agreement. The Credit Agreement and all other agreements, documents and instruments referred to therein or delivered pursuant thereto are collectively called the "Loan Documents".

WHEREAS, it is the intention of Assignor and Assignee that (a) Assignor assign to Assignee all of Assignor's rights and obligations under the Credit Agreement, (b) Assignee assume all such obligations of Assignor, and (c) Assignor be released from such assigned obligations.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. Assignment. Assignor hereby sells and assigns to Assignee, without recourse and without representation or warranty except as expressly set forth herein, and Assignee hereby purchases, all right, title and interest in and to (i) the Loan Documents and all Advances and other credit accommodations made under the Loan Documents (collectively, the "Assigned Rights and Obligations"); (ii) all collateral and security interests relating to the Assigned Rights and Obligations; and (iii) all other rights and obligations appurtenant to the Assigned Rights and Obligations and all of the Loan Documents. On the Effective Date (as hereinafter defined), Assignor shall endorse the Note, without recourse, to the order of Assignee and shall, upon receipt of the sum set forth in Section 4 hereof, deliver to Assignee the original endorsed Note, the originals of the Credit Agreement and all other Loan Documents in its possession, and appropriate instruments of transfer with respect to each of the Loan Documents.

2. Assumption. Effective on the Assignment Effective Date, Assignee hereby accepts the foregoing assignment of, and hereby assumes from Assignor all of, the Assigned Rights and Obligations.

3. Effectiveness. This Agreement shall become effective on such date as shall be selected by Assignor (the "Assignment Effective Date"), which date shall be on or as soon as practicable after the execution and delivery of counterparts of this Agreement by Assignor, Assignee, and Borrower. Assignor shall promptly notify Assignee and Borrower in writing of the Assignment Effective Date.

4. Payments on Assignment Effective Date. In consideration of the assignment by Assignor to, and the assumption by Assignee of, the Assigned Rights and Obligations, on the Assignment Effective Date, Assignee shall pay to Assignor the principal amount of all Advances, if any, made by Assignor pursuant to the Credit Agreement that are attributable to the Assigned Rights and Obligations and outstanding on the Assignment Effective Date.

5. Representations and Warranties.

(a) Each of Assignor and Assignee represents and warrants to the other party as follows:

- (i) Such party has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to fulfill its obligations under, and to consummate the transactions contemplated by, this Agreement.
- (ii) The making and performance of this Agreement and all documents required to be executed and delivered by such party pursuant hereto do not and will not violate any law or regulation applicable to such party.
- (iii) This Agreement has been duly executed and delivered by, and constitutes a legal, valid and binding obligation of, such party, enforceable in accordance with its terms.
- (iv) All approvals, authorizations or other actions by, or filings with, any governmental authority necessary for the validity or enforceability of such party's obligations under this Agreement have been made or obtained.

(b) Assignor represents and warrants to Assignee that Assignor owns the Assigned Rights and Obligations, free and clear of all liens or other encumbrances.

(c) Assignee represents and warrants to Assignor as follows:

- (i) Assignee has made and shall continue to make its own independent investigation of the financial condition, affairs and creditworthiness of Borrower and any other person or entity obligated under the Loan Documents (collectively, the "Credit Parties"), and the value of any collateral now or hereafter securing any of the obligations, indebtedness, liabilities or undertakings under the Loan Documents (the "Collateral"), in connection with Assignee's assumption of the Assigned Rights and Obligations.
- (ii) Assignee has received a copy of the Loan Documents and such other documents, financial statements and information as Assignee deems appropriate to make its own credit analysis and decision to enter into this Agreement.

6. No Assignor Responsibility. Assignor makes no representation or warranty and assumes no responsibility to Assignee for:

(a) the execution by any party other than Assignor, effectiveness, genuineness, validity, enforceability, collectibility or sufficiency of the Loan Documents, or for any representations, warranties, recitals or statements made in the Loan Documents or in any financial or other written or oral statement, instrument, report, certificate or any other document made or furnished or made available by Assignor to Assignee or by or on behalf of any Credit Party to Assignor or Assignee in connection with the Loan Documents and the transactions contemplated thereby;

(b) the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Loan Documents or the existence or possible existence of any default or event of default under the Loan Documents; or

(c) the accuracy or completeness of any information provided to Assignee, whether by Assignor or by or on behalf of any Credit Party.

Assignor shall have no initial or continuing duty or responsibility to make any investigation of the financial condition, affairs or creditworthiness of any of the Credit Parties, or the value of any Collateral, in connection with the assignment of the Assigned Rights and Obligations hereunder, or

to provide Assignee with any credit or other information with respect thereto, whether coming into Assignor's possession before the date hereof or at any time or times thereafter.

7. Assignee Bound By Credit Agreement. Effective on the Assignment Effective Date, Assignee: (a) shall be deemed to be the "Lender" under the Credit Agreement; (b) agrees to be bound by the Credit Agreement as it would have been if it had been the original Lender party thereto; and (c) agrees to perform in accordance with their respective terms all obligations which are required under the Loan Documents to be performed by it as the Lender.

8. Assignor Released From Credit Agreement. Effective on the Assignment Effective Date, Assignor shall be released from the Assigned Rights and Obligations; provided, however, that Assignor shall retain all of its rights to indemnification under Section 9.7 of the Credit Agreement for any events, acts or omissions occurring before the Assignment Effective Date.

9. New Notes. On or promptly after the Assignment Effective Date, Borrower, Assignor and Assignee shall make appropriate arrangements so that a new promissory note executed by Borrower, dated as of the Assignment Effective Date and in the amount of the original Note, is issued to Assignee, in exchange for the surrender by Assignor to Borrower of any outstanding promissory note from Borrower evidencing the Advances, marked "Exchanged."

10. General.

(a) This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior and current understandings and agreements, whether written or oral.

(b) No term or provision of this Agreement may be amended, waived or terminated orally, but only by an instrument signed by the parties hereto.

(c) This Agreement may be executed in one or more counterparts. Each set of executed counterparts shall be an original. Executed counterparts may be delivered by facsimile transmission.

(d) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Neither Assignor nor Assignee may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the other. The preceding sentence shall not limit the right of Assignee to grant to others assignments of or participations in all or part of the Assigned Rights and Obligations to the extent permitted by the terms of the Loan Documents.

(e) All payments to Assignor or Assignee hereunder shall, unless otherwise specified by the party entitled thereto, be made in United States Dollars, in immediately available funds, and to the address or account specified on the signature pages of this Agreement. The address of Assignee for notice purposes under the Credit Agreement shall be as specified on the signature pages of this Agreement.

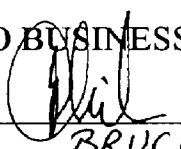
(f) If any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions hereof will not be affected or impaired in any way.

(g) Each party shall bear its own expenses in connection with the preparation and execution of this Agreement.

(h) This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ASSIGNOR: WELLS FARGO BUSINESS CREDIT, INC.

By: 
Name: BRUCE CHIK
Title: V.P.

Assignor's Notice Instructions:

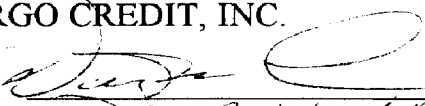
WELLS FARGO BUSINESS CREDIT, INC.
245 South Los Robles Avenue, Suite 600
Pasadena, California 91101
Attn: Bruce Chik
Telephone: (626) 685-9906
Facsimile: (626) 844-9063

Assignor's Payment Instructions:

WELLS FARGO BANK OF MINNESOTA, N.A.

ABA No. 091000019
Account No. 6355010053
Attn: OPS MGR
Ref: PK

ASSIGNEE: WELLS FARGO CREDIT, INC.

By: 
Name: DAVID W. PHILLIPS
Title: V.P.

Assignee's Notice Instructions:

WELLS FARGO CREDIT, INC.
245 South Los Robles Avenue, Suite 600
Pasadena, California 91101
Attn: Phillips & King Account Officer
Telephone: (626) 685-9960
Facsimile: (626) 844-9063

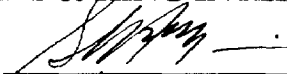
Assignee's Payment Instructions:

WELLS FARGO BANK OF MINNESOTA, N.A.

ABA No. 091000019
Account No. 6355010061
Attn: OPS MGR
Ref: PHS

ACKNOWLEDGED AND AGREED:

BORROWER: PHILLIPS & KING INTERNATIONAL, INC.

By: 
Name: Stephen A. Musin
Title: Vice President + CFO