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TRADEMARK COVER SHEET  
ACCOMPANYING TRADEMARK SECURITY AGREEMENT

TO THE COMMISSIONER OF PATENTS AND TRADEMARKS  
BOX ASSIGNMENTS  
WASHINGTON, DC 20231

01-22-2001

Re: Trademark Security Agreement



101570987

1. The name of the party conveying the interest is:

PB Acquisition Co., Inc. (Corporation)  
5727 Superior Drive  
Morristown, TN 37814

2. The name and address of the party receiving the interest is:

Bank of America, N.A. (Corporation)  
414 Union Street  
Nashville, Tennessee 37239

3. The nature of conveyance is: Trademark Security Agreement.

4. Each trademark number against which the Trademark Security Agreement is to be filed is:

Trademark Registration No.(s): 1735843  
Registration Date: 11/10/98

5. The name and address of the party to whom correspondence concerning the request to record the document should be mailed is:

Sherrard & Roe, PLC  
424 Church Street, Suite 2000  
Nashville, TN 37219  
Attn: J. Allen Roberts

6. There is one (1) registration identified in this cover sheet and the fee for recording the Trademark Security Agreement is \$40.00 and such fee is enclosed.

7. The Trademark Security Agreement that gave rise to the interest being granted in the above-referenced trademark was executed by PB Acquisition Co., Inc. and Bank of America, N.A., on September 1, 2000.

8. The assignee of the trademark is domiciled in the United States.

01/16/2001 DNBUYEN 00000343 1735843

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9. To the best of the undersigned's knowledge and belief, the information contained in this cover sheet is true and correct and any copy submitted is a true copy of the original document.

SHERRARD & ROE, PLC

By: *Ann Wilbourn*

Title: *Paralegal*



## TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT is entered into as of August 31, 2000 ("Agreement"), by PB ACQUISITION CO., INC., a Tennessee corporation ("Company") whose address is 5727 Superior Drive, Morristown, Tennessee 37814, in favor of BANK OF AMERICA, N.A., a national banking association ("Bank"), whose address is 414 Union Street, Nashville, Tennessee 37239.

### WITNESSETH:

WHEREAS, the Company and Bank have entered into a Loan Agreement of even date herewith (the "Loan Agreement"), pursuant to which the Bank has agreed to extend a credit facility to the Company in the amount of Four Million Six Hundred Fifty Thousand and No/100 Dollars (\$4,650,000.00) (the "Loan").

WHEREAS, the Company and Bank have entered into a Security Agreement of even date herewith whereby Company has granted a security interest in the Collateral to Bank in order to secure the Loan from Bank to Borrower ("Security Agreement"), and in furtherance thereof Company does hereby grant to the Bank all of the issued and outstanding rights regarding the Company's interest in certain trademarks.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Definitions. As used herein, the following terms shall have the respective meanings set forth below; and unless the context otherwise requires, capitalized terms used herein without definition shall have the respective meanings assigned to such terms in the Security Agreement.

1.1 "Intellectual Property Collateral" shall mean all of the property and interests in property described in Section 2.1 hereof which shall, from time to time, secure any of the Secured Obligations.

1.2 "Secured Obligations" shall mean all of the Company's indebtedness, obligations and liabilities arising under the Loan Agreement, as modified, amended, supplemented, restated, increased or extended from time to time, and together with any promissory note or notes issued in exchange or replacement therefor and any and all other indebtedness, obligations and liabilities of any kind of the Company to the Bank now or hereafter existing, direct or indirect, absolute or contingent, joint or several, secured or unsecured, arising by operation of law or otherwise, whether incurred by the Company as principal, surety, endorser or guarantor, combination party or otherwise.

1.3 "Trademarks" shall mean all of the Company's right, title and interest, in the United States and throughout the world, in and to all of its now owned and hereafter acquired trademarks, service marks and trade names and all registrations and applications to register the



same, and all renewals thereof, and the goodwill and business relating to such applications including, but not limited to the trademark "THERMOGENETIC" U.S. Registration Number 1735843 with a Registration Date of November 10, 1998.

1.4 "Trade Secrets" shall mean all of the Company's right, title and interest, in the United States and throughout the world, in and to all of its now possessed and hereafter possessed trade secrets.

2. Intellectual Property Collateral: General Terms.

2.1 Security Interest. To secure the prompt payment of the Secured Obligations, the Company hereby grants to the Bank for the benefit of the Bank a continuing security interest in and to all of the following property and interests in property of the Company, whether now owned or existing, hereafter acquired or arising, or in which the Company now or hereafter has any rights, including without limitation any such property used in or useful to the business or its operation, and wheresoever located:

(A) Trademarks; and

(B) All of the Company's right, title and interest in and to all (i) income, royalties, damages and payments now and hereafter due and/or payable under all Trademarks, and (ii) rights during the term of this Agreement to sue, collect and retain for its own benefit damages and payments for past or future infringements of the Trademarks.

3. Trademark Copyright Representation and Warranty. To the best of the Company's knowledge, information and belief, all Intellectual Property Collateral consisting of applications for registrations of trademarks, trade names and copyrights have been duly and properly filed and all Intellectual Property Collateral consisting of registrations of trademarks (including, without limitation, any and all renewals, reissues, continuations or divisions thereof, as the case may be) have been duly and properly filed and issued (other than pending applications) and are valid and enforceable.

4. Execute Addenda. Promptly upon the filing of any application for registration of a trademark or copyright (other than an application made solely for state trademark registration) and upon the issuance of any trademark or copyright registration, it shall, unless the Bank agrees otherwise in writing, execute an addendum to this Agreement reflecting such application and subsequent registration.

5. Bank's Rights and Remedies. If any Default shall occur under the Loan Agreement, then, in each and every such case, Bank may, without presentment, demand, or protest; notice of default, dishonor, demand, non-payment, or protest; notice of intent to accelerate all or any part of the Secured Obligations; notice of acceleration of all or any part of the Secured Obligations; or notice of any other kind, all of which Company hereby expressly waives, (except for any notice required under this Agreement, any other Loan Document or applicable law); at any time thereafter.



unless such Default is cured, exercise and/or enforce any of the following rights and remedies at Bank's option:

i. Acceleration. The Secured Obligations shall, at Bank's option, become immediately due and payable, and the obligation, if any, of Bank to permit further borrowings under the Secured Obligations shall at Bank's option immediately cease and terminate.

ii. Possession and Collection of the Intellectual Property Collateral. At its option: (a) take possession or control of, store, lease, operate, manage, sell, or instruct any Agent or Broker to sell or otherwise dispose of, all or any part of the Intellectual Property Collateral; (b) notify all parties under any account or contract right forming all or any part of the Intellectual Property Collateral to make any payments otherwise due to Company directly to Bank; (c) in Bank's own name, or in the name of Company, demand, collect, receive, sue for, and give receipts and releases for, any and all amounts due under such accounts and contract rights; (d) indorse as the agent of Company any check, note, chattel paper, documents, or instruments forming all or any part of the Intellectual Property Collateral; (e) make formal application for transfer to Bank (or to any assignee of Bank or to any purchaser of any of the Intellectual Property Collateral) of all of Company's permits, licenses, approvals, agreements, and the like relating to the Intellectual Property Collateral or to Company's business; (f) take any other action which Bank deems necessary or desirable to protect and realize upon its security interest in the Intellectual Property Collateral; and (g) in addition to the foregoing, and not in substitution therefor, exercise any one or more of the rights and remedies exercisable by Bank under any other provision of this Agreement, under any of the other Loan Documents, or as provided by applicable law (including, without limitation, the Uniform Commercial Code as in effect in Tennessee (hereinafter referred to as the "UCC")). In taking possession of the Intellectual Property Collateral Bank may enter Company's premises and otherwise proceed without legal process, if this can be done without breach of the peace. Company shall, upon Bank's demand, promptly make the Intellectual Property Collateral or other security available to Bank at a place designated by Bank, which place shall be reasonably convenient to both parties. Bank shall not be liable for, nor be prejudiced by, any loss, depreciation or other damages to the Intellectual Property Collateral, unless caused by Bank's gross negligence or willful misconduct. Bank shall have no duty to take any action to preserve or collect the Intellectual Property Collateral.

iii. Receiver. Obtain the appointment of a receiver for all or any of the Intellectual Property Collateral, Company hereby consenting to the appointment of such a receiver and agreeing not to oppose any such appointment.

Bank shall be entitled to immediate possession of all books and records evidencing any Intellectual Property Collateral or pertaining to chattel paper covered by this Agreement and it or its representatives shall have the authority to enter upon any premises upon which any of the same, or any Intellectual Property Collateral, may be situated and remove the same therefrom without liability. Bank may surrender any insurance policies in the Intellectual Property Collateral and receive the unearned premium thereon. Company shall be entitled to any surplus and shall be liable to Bank for any deficiency. The proceeds of any disposition after default available to satisfy the



Secured Obligations shall be applied to the Secured Obligations in the manner provided in Paragraph 38(b) of the Loan Agreement.

Company specifically understands and agrees that any sale by Bank of all or part of the Intellectual Property Collateral pursuant to the terms of this Agreement may be effected by Bank at times and in manners which could result in the proceeds of such sale as being significantly and materially less than might have been received if such sale had occurred at different times or in different manners, and Company hereby releases Bank and its officers and representatives from and against any and all Secured Obligations and liabilities arising out of or related to the timing or manner of any such sale.

iv. Appointment of the Bank as the Company's Lawful Attorney. Upon the occurrence and during the continuation of a Default under the Loan Agreement, the Company irrevocably designates, makes, constitutes and appoints the Bank (and all persons designed by the Bank) as its true and lawful attorney (and agent-in-fact), and the Bank, or the Bank's agent, may, without notice to it take any action as the Bank reasonably deems necessary under the circumstances to file, prosecute, defend, issue, maintain, enforce or otherwise take action in respect to the Intellectual Property Collateral as required hereby, or to carry out any other obligation or duty of the Company under this Agreement, including, without limitation, the right to execute any assignment of the trademark collateral in the event any of the Secured Obligations are accelerated, or not paid when due, and the employment of counsel. The Company shall pay all reasonable fees and expenses, including attorney's fees and expenses, incurred by the Bank in connection with such action.

6. Termination. This Agreement shall terminate upon the payment in full and the performance and satisfaction of all Secured Obligations, and the expiration of all contingent and other obligations and liabilities of the Company; and upon any such termination the Bank will, at the Company's expense, execute and deliver to the Company such documents as the Company shall reasonably request to evidence such termination and release the security interest in the Intellectual Property Collateral granted hereunder; provided, however, that this Agreement shall continue to be effective, or shall be automatically reinstated, as the case may be, if at any time payment, in whole or in part, of any of the Secured Obligations is reduced, rescinded or must otherwise be restored or returned by the Bank upon the bankruptcy, insolvency, dissolution, liquidation or reorganization of the Company or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the Company or any of its property or otherwise.

7. Governing Law. This Agreement has been delivered and shall be deemed to have been made in Tennessee and, shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the laws of the State of Tennessee (exclusive of choice and conflict of laws provisions thereof to the extent allowed by law) except with respect to those matters regarding the Intellectual Property Collateral to which the law of the United States or the law of a foreign sovereign jurisdiction applies.

8. Parties Bound. Bank's rights hereunder shall inure to the benefit of its successors and assigns. In the event of any assignment or transfer by Bank of any of the Secured Obligations



or the Intellectual Property Collateral, Bank thereafter shall be fully discharged from any responsibility with respect to the Intellectual Property Collateral so assigned or transferred, but Bank shall retain all rights and powers hereby given with respect to any of the Secured Obligations or the Intellectual Property Collateral not so assigned or transferred. All representations, warranties and agreements of Debtor if more than one are joint and several and all shall be binding upon the personal representatives, heirs, successors and assigns of Debtor.

9. Waiver. No delay of Bank in exercising any power or right shall operate as a waiver thereof; nor shall any single or partial exercise of any power or right preclude other or further exercise thereof or the exercise of any other power or right. No waiver by Bank of any right hereunder or of any default by Company shall be binding upon Bank unless in writing, and no failure by Bank to exercise any power or right hereunder or waiver of any default by Company shall operate as a waiver of any other or further exercise of such right or power or of any further default. Each right, power and remedy of Bank as provided for herein or in any of the Loan Documents, or which shall now or hereafter exist at law or in equity or by statute or otherwise, shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by Bank of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by Bank of any or all other such rights, powers or remedies.

10. Agreement Continuing. This Agreement shall constitute a continuing agreement, applying to all future as well as existing transactions, whether or not of the character contemplated at the date of this Agreement, and if all transactions between Bank and Company shall be closed at any time, shall be equally applicable to any new transactions thereafter. Provisions of this Agreement, unless by their terms exclusive, shall be in addition to other agreements between the parties. Time is of the essence of this Agreement.

11. Definitions. Unless the context indicates otherwise, definitions in the UCC apply to words and phrases in this Agreement; if UCC definitions conflict, Article 9 definitions apply.

12. Notices. Notice shall be deemed reasonable if mailed postage prepaid at least five (5) days before the related action (or if the UCC elsewhere specifies a longer period, such longer period) to the address of Company given above, or to such other address as any party may designate by written notice to the other party. Each notice, request and demand shall be deemed given or made, if sent by mail, upon the earlier of the date of receipt or five (5) days after deposit in the U.S. Mail, first class postage prepaid, or if sent by any other means, upon delivery and with copies to Michael D. Roberts, Sherrard & Roe, PLC, 424 Church Street, Suite 2000, Nashville, TN 37219 and Tennessee Valley Ventures, LP., 201 4<sup>th</sup> Avenue North, Suite 1250, Nashville, TN 37219, Attn: Andrew Byrd

13. Modifications. No provision hereof shall be modified or limited except by a written agreement expressly referring hereto and to the provisions so modified or limited and signed by Company and Bank. The provisions of the Agreement shall not be modified or limited by course of conduct or usage of trade.



14. Partial Invalidity. Wherever 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 provisions or the remaining provisions of this Agreement. The invalidity or unenforceability of any provision of any Loan Document to any person or circumstance shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances.

15. Arbitration and Waiver of Jury Trial.

i. This paragraph concerns the resolution of any controversies or claims between the Company and the Bank, whether arising in contract, tort or by statute, including but not limited to controversies or claims that arise out of or relate to: (i) this Agreement (including any renewals, extensions or modifications); or (ii) any document related to this Agreement; (collectively a "Claim").

ii. At the request of the Company or the Bank, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U. S. Code) (the "Act"). The Act will apply even though this Agreement provides that it is governed by the law of a specified state.

iii. Arbitration proceedings will be determined in accordance with the Act, the rules and procedures for the arbitration of financial services disputes of J.A.M.S./Endispute or any successor thereof ("J.A.M.S."), and the terms of this paragraph. In the event of any inconsistency, the terms of this paragraph shall control.

iv. The arbitration shall be administered by J.A.M.S. and conducted in any U. S. state where real or tangible personal property collateral for this credit is located or if there is no such collateral, in Tennessee. All Claims shall be determined by one arbitrator; however, if Claims exceed \$5,000,000, upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within 90 days of the demand for arbitration and close within 90 days of commencement and the award of the arbitrator(s) shall be issued within 30 days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional 60 days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed and enforced.

iv. The arbitrator(s) will have the authority to decide whether any Claim is barred by the statute of limitations and, if so, to dismiss the arbitration on that basis. For purposes of the application of the statute of limitations, the service on J.A.M.S. under applicable J.A.M.S. rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Agreement.





v. This paragraph does not limit the right of the Company or the Bank to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or nonjudicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies.

vi. By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this Agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the parties entering into this Agreement.

16. Controlling Document. To the extent that this Security Agreement conflicts with or is in any way incompatible with any other Loan Document concerning the Secured Obligations, any promissory note shall control over any other document, and if such note does not address an issue, then each other document shall control to the extent that it deals most specifically with an issue.

17. NOTICE OF FINAL AGREEMENT. THIS WRITTEN TRADEMARK SECURITY AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized representatives as of the date first above written.

Bank:

Bank of America, N.A.

By: Donna Mearns  
Its: Senior Vice President

Company:

PB Acquisition Co., Inc

By: Andrew W. Byrd  
Its: PRESIDENT

STATE OF TENNESSEE )  
COUNTY OF Davidson )

Before me, the undersigned, a Notary Public within and for the State and County aforesaid, personally appeared Donna Nunan, with whom I am personally acquainted (or proved to me on the basis as satisfactory evidence) and who upon oath acknowledged herself to be the Sr. Vice President of Bank of America, N.A., a national banking association, the within named bargainer, and that she as such Sr. Vice President, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the national banking association by the said Donna Nunan as such Sr. Vice President.

15<sup>th</sup> WITNESS my hand and seal, at office in Nashville, Tennessee, this the 15<sup>th</sup> day of September, 2000.

Donna Freadle  
Notary Public

My Commission Expires: 02-03-03

STATE OF TENNESSEE )  
COUNTY OF Davidson )

Before me, the undersigned, a Notary Public and for said County and State, personally appeared Andrew Byrd, with whom I am personally acquainted (or proven to me on the basis of satisfactory evidence), and who, upon oath, acknowledged his self to be the President of PB Acquisition Co., Inc., the within named bargainer, a Tennessee corporation, and that Andrew Byrd as such President being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation in his capacity as such President.

Witness my hand and seal at Nashville, Tennessee this 15<sup>th</sup> day of September, 2000.

Donna Freadle  
NOTARY PUBLIC

My Commission Expires: 02-03-03