

01-19-2001

1/4/01



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RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
 - Security Agreement Nunc Pro Tunc Assignment
 - Merger Change of Name
 - Other
- Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

01/19/2001 DNGUYEN 00000034 75004487

FOR OFFICE USE ONLY

01 FC:481
02 FC:482

40.00 OP
475.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

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REEL: 002215 FRAME: 0955

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

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<input type="text" value="1161181"/>	<input type="text" value="541272"/>	<input type="text" value="541273"/>
<input type="text" value="1840702"/>	<input type="text" value="1099755"/>	<input type="text" value="1648280"/>
<input type="text" value="1425018"/>	<input type="text" value="1443705"/>	<input type="text" value="1840713"/>

Number of Properties Enter the total number of properties involved.

#

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment: Enclosed Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees:

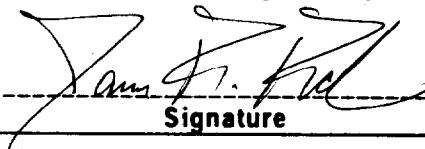
Yes No

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. Charges to deposit account are authorized, as indicated herein.

James R. Robinson

Name of Person Signing



Signature

1/3/01

Date Signed

**RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY**

FORM PTO-1618C
Expires 06/30/99
OMB 0651-0027

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

Corporation Association

Other

Citizenship/State of Incorporation/Organization

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

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RELEASE OF INTELLECTUAL PROPERTY RIGHTS SECURITY INTEREST

This Release of Intellectual Property Rights Security Interest is made this 26th day of December, 2000 by Bank One, Kentucky, NA ("Bank One"), 416 West Jefferson Street, Louisville, Kentucky 40232.

WITNESSETH:

WHEREAS, Bank One and The Torbitt & Castleman Company ("Debtor") are parties to a certain "Loan Agreement" entered into the 24th day of June, 1996 pursuant to which Bank One made certain loans and other financial accommodations to Debtor. As security for Debtor's liabilities pursuant to the Loan Agreement, Debtor has executed a certain "Intellectual Property Rights Security Agreement" dated as of the 24th day of June, 1996 (attached herein as Exhibit A and incorporated and made a part hereof) pursuant to which Debtor granted a security interest in certain "Collateral", as that term is defined in Exhibit A, to secure payment and performance of Debtor's obligations.

WHEREAS, the security interest was recorded in the United States Patent and Trademark Office on July 17, 1996 at Reel 1500, Frame 0672; and

WHEREAS, the liabilities have been satisfied and Debtor has requested that Bank One release its security interest in the "Collateral", as that term is defined in Exhibit A:

NOW THEREFORE, for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged:

1. Bank One hereby releases its security interest in Debtor's right, title and interest in and to all "Collateral", as that term is defined in Exhibit A, including but not limited to:

(A) (a) renewals and extensions thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world; and

(B) The goodwill of Debtor's business connected with and symbolized by the "Collateral."

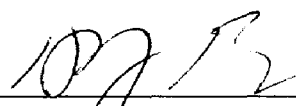
2. Bank One hereby reassigns, grants and conveys to Debtor, without any representation, recourse or undertaking by Bank One, all of Bank One's rights, title and interest in and to the above-referenced "Collateral", including the goodwill of the Debtor's

business connected with and symbolized by the "Collateral."

IN WITNESS WHEREOF, Bank One has caused this release to be duly executed by its duly authorized officer as of the day and year first above written.

Bank One, Kentucky, NA

By: _____


Joseph Brenner
Its Senior Vice President

COMMONWEALTH OF KENTUCKY)

)SS:

COUNTY OF JEFFERSON)

On the 26th day of December, 2000, before and personally appeared

Joseph Brenner to me known as the individual executed the foregoing instrument and acknowledged to me that he executed the same as the duly authorized officer above-designated of Bank One, Kentucky, NA.

My Commission expires: 2-08-04.


NOTARY PUBLIC

EXHIBIT A

PATENT, TRADEMARK AND LICENSE SECURITY AGREEMENT

THIS PATENT, TRADEMARK AND LICENSE SECURITY AGREEMENT (the "Intellectual Property Rights Security Agreement"), is made and entered into on this 24th day of June, 1996, by and between (i) THE TORBITT & CASTLEMAN COMPANY, a Kentucky corporation with principal office and place of business in Buckner, Kentucky (the "Debtor"), and (ii) BANK ONE, KENTUCKY, NA, a national banking association with principal office and place of business in Louisville, Kentucky (the "Bank").

P R E L I M I N A R Y S T A T E M E N T:

A. Pursuant to that certain Loan Agreement of even date herewith, between the Debtor and the Bank (together with all amendments and modifications thereto, the "Loan Agreement"), (a) the Bank has made a term loan in the original principal amount of Eight Million Five Hundred Thousand Dollars (\$8,500,000.00) to the Debtor (the "Term Loan"), and (b) the Bank has established a revolving line of credit in the original principal amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000.00) in favor of the Debtor (the "Line of Credit").

B. The obligation of the Debtor to repay to the Bank the Term Loan together with accrued interest thereon is evidenced by that certain Term Promissory Note of even date herewith, made by the Debtor, payable to the order of the Bank, and in the face principal amount of Eight Million Five Hundred Thousand Dollars (\$8,500,000.00) (together with all amendments, modifications, extensions, renewals, restatements and replacements thereof, the "Term Note").

C. The obligation of the Debtor to repay to the Bank advances under the Line of Credit together with accrued interest thereon is evidenced by that certain Revolving Promissory Note of even date herewith, made by the Debtor, payable to the order of the Bank, and in the face principal amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000.00) (together with all amendments, modifications, extensions, renewals, restatements and replacements thereof, the "Revolving Promissory Note").

D. The obligation of the Bank to make the Term Loan to the Debtor and to establish the Line of Credit in favor of the Debtor is expressly subject to the condition, among others, that the Debtor execute and deliver this Intellectual Property Rights Security Agreement in favor of the Bank and, pursuant hereto, grant to the Bank a first priority security interest in all of the property described below to secure the payment of all of the obligations described below.

E. The Debtor owns and uses in its business, and will in the future adopt and so use, various intangible assets, including certain patents (collectively, the "Patents"), as well as certain

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trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles and/or other source and/or business identifiers and applications pertaining thereto (collectively, the "Trademarks").

F. The Bank desires to become a secured creditor with respect to and, under the circumstances described herein, an assignee of all of the existing and future Patents and Trademarks, all patent applications hereafter filed by the Debtor, all registrations that have been or may hereafter be issued or applied for in connection with the Trademarks, in the United States and any state thereof (the "Registrations"), all common law and other rights in and to the Trademarks in the United States and any state thereof ("Trademark Rights"), all goodwill of the Debtor's business symbolized by the Trademarks and associated therewith (the "Associated Goodwill"), and all proceeds of the Patents, the Trademarks, the Registrations, the Trademark Rights and the Associated Goodwill, and the Debtor agrees to create a secured and protected interest in the Patents, the Trademarks, the Registrations, the Trademark Rights, the Associated Goodwill and all the proceeds thereof as provided herein.

G. Pursuant to that certain Security Agreement of even date herewith, between the Debtor and the Bank (together with all amendments and modifications thereto, the "Security Agreement"), the Debtor has granted to the Bank a first priority lien on and security interest in, among other assets, substantially all accounts receivable, inventory, rights to payment, equipment, books and records, copyrights, goods, trade secrets and deposit accounts of the Debtor and all proceeds from any and all of the foregoing relating to the products and services sold or delivered under or in connection with the Patents and the Trademarks, such that, upon the occurrence and during the continuation of an Event of Default defined in Section 13 hereof, the Bank would be able to exercise its remedies consistent with the Security Agreement, this Intellectual Property Rights Security Agreement and applicable law to foreclose upon the Debtor's business and use the Patents, the Trademarks, the Registrations and the Trademark Rights in conjunction with the continued operation of the Debtor's business, maintaining substantially the same product and service specifications and quality as maintained by the Debtor, and benefit from the Associated Goodwill.

H. Upon the occurrence of and during the continuation of an Event of Default defined in Section 13 hereof, and to permit the Bank to operate the Debtor's business without interruption and to use the Patents, Trademarks Registrations, Trademark Rights and Associated Goodwill in conjunction therewith, the Debtor is willing to grant to the Bank the conditional assignment of the Debtor's entire right, title and interest in and to the Collateral (as hereinafter defined) and to appoint the Bank as the Debtor's attorney-in-law and attorney-in-fact to execute documents and take actions to confirm said assignments.

I. The Loan Agreement requires that the Debtor grant the security interests and make the conditional assignments contemplated by this Intellectual Property Rights Security Agreement as a condition precedent to the Bank making the Term Loan to the Debtor and establishing the Line of Credit in favor of the Debtor.

NOW, THEREFORE, in consideration of the foregoing premises and in order to induce the Bank to make the Term Loan to the Debtor and to establish the Line of Credit in favor of the Debtor, and for other good and valuable consideration, the mutuality, receipt and sufficiency of which are hereby acknowledged, the Debtor hereby agrees with the Bank as follows:

1. Grant of Security: Conditional Assignment. The Debtor hereby pledges and mortgages, but does not transfer title, to the Bank all of the Debtor's right, title and interest in and to the following (collectively, the "Collateral") to secure the payment and performance of the Secured Obligations (as hereinafter defined):

(a) All Patents and patent applications and rights and interests in patents and patent applications under any domestic law that are presently, or in the future may be owned, held or used by the Debtor in whole or in part (including, without limitation, the Patents and patent applications listed on Exhibit A attached hereto and made a part hereof, as the same may be amended pursuant hereto from time to time), including, without limitation, all proceeds thereof (such as, by way of example and not by way of limitation, license royalties and proceeds of infringement suits), the right (but not the obligation) to sue for past, present and future infringements in the name of the Debtor or in the name of the Bank, all rights (but not obligations) corresponding thereto and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof (the term "Patents", as used herein, includes all of the property described in this paragraph (a)); it being understood that the rights and interest assigned hereby shall include, without limitation, all rights and interests pursuant to licensing or other contracts in favor of the Debtor pertaining to patent applications and patents presently or in the future owned or used by third parties but, in the case of third parties other than Affiliates (as such term is defined in the Loan Agreement) of the Debtor, only to the extent permitted by such licensing or other contracts and, if not so permitted, only with the consent of such third parties;

(b) Each of the Trademarks and rights and interests in Trademarks which are presently, or in the future may be, owned, held or used by the Debtor, in whole or in part (including, without limitation, the Trademarks specifically identified on Exhibit B attached hereto and made a part hereof, as the same may be amended pursuant hereto from time to time), and including all Trademark Rights with respect thereto and all federal, state and foreign Registrations therefor heretofore or hereafter granted or applied for, the right (but not the obligation) to register claims under any state or federal trademark law or regulation or any trademark

law or regulation of any foreign country and to apply for, renew and extend the Trademarks, Registrations and Trademark Rights, the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of the Debtor or in the name of the Bank for past, present and future infringements of the Trademarks, Registrations or Trademark Rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country, and the Associated Goodwill; it being understood that the rights and interests included herein shall include, without limitation, all rights and interests pursuant to licensing or other contracts in favor of the Debtor pertaining to the Trademarks, Registrations or Trademark Rights presently or in the future owned or used by third parties but, in the case of third parties other than Affiliates of the Debtor, only to the extent permitted by such licensing or other contracts and, if not so permitted, only with the consent of such third parties;

(c) The following documents and things in the Debtor's possession, or subject to the Debtor's right to possession, related to (y) the production, sale and delivery by the Debtor, or any Affiliate, licensee or subcontractor of the Debtor, of products or services sold or delivered by or under the authority of the Debtor in connection with the Trademarks, Registrations or Trademark Rights (which products and services shall, for the purposes of this Intellectual Property Rights Security Agreement, be deemed to include, without limitation, products and services sold or delivered pursuant to merchandising operations utilizing any Trademarks, Registrations or Trademark Rights); or (z) any retail or other merchandising operations conducted under the name of or in connection with the Trademarks, Registrations or Trademark Rights by the Debtor or any Affiliate, licensee or subcontractor of the Debtor;

(i) All product and service specification documents and production and quality control manuals used in the manufacture or delivery of products and services sold or delivered under or in connection with the Trademarks or Trademark Rights;

(ii) All documents which reveal the name and address of any sources of supply, and any terms of purchase and delivery, for any and all materials, components and services used in the production of products and services sold or delivered under or in connection with the Trademarks or Trademark Rights; and

(iii) All documents constituting or concerning the then current or proposed advertising and promotion by the Debtor or its Affiliates, licensees or subcontractors of products and services sold or delivered under or in connection with the Trademarks or Trademark Rights including, without limitation, all documents conducted within the described period or planned for such products and services;

(d) All general intangibles, as defined in Section 9-106 of the Uniform Commercial Code as in effect in the Commonwealth of Kentucky (the "Code"), relating to the foregoing Collateral; and

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(e) All proceeds of any and all of the foregoing Collateral (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not the Bank is the loss payee thereof) or any indemnity, warranty and guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral. For purposes of this Intellectual Property Rights Security Agreement, the term "proceeds" includes whatever is receivable or received when Collateral or proceeds are sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, all rights to payment, including returned premiums, with respect to any insurance relating thereto.

In addition to, and not by way of limitation of, the pledge and mortgage of the Collateral set forth above, the Debtor hereby, effective upon the occurrence of an Event of Default defined in Section 13 hereof and upon the written notice from the Bank to the Debtor, grants, sells, conveys, transfers, assigns and sets over to the Bank all of the Debtor's rights, title and interest in and to the Collateral, including, but not limited to, the Debtor's right, title and interest in and to the Patents identified on Exhibit A attached hereto and made a part hereof and the Trademarks identified on Exhibit B attached hereto and made a part hereof, the goodwill of the business symbolized by the Patents and Trademarks and all Registrations relating to the Trademarks.

2. Secured Obligations. The Debtor has executed and delivered this Intellectual Property Rights Security Agreement, and has granted to the Bank a security interest in all of the Collateral, to secure (a) the payment when due, whether at stated maturity, by acceleration or otherwise, of the entire unpaid principal balance of and all interest now accrued or hereafter to accrue on the Term Note, (b) the payment when due, whether at stated maturity, by acceleration or otherwise, of the entire unpaid principal balance of and all interest now accrued or hereafter to accrue on the Revolving Promissory Note, (c) the payment of all costs and expenses, including, without limitation, reasonable attorneys' fees, now or hereafter incurred by the Bank in collecting and/or enforcing the Loan Agreement, the Term Note, the Revolving Promissory Note and/or this Intellectual Property Rights Security Agreement, (d) the performance of all of the covenants, agreements and obligations of the Debtor under the Loan Agreement and the other Loan Instruments (as such term is defined in the Loan Agreement), and (e) the payment of all other liabilities, obligations, covenants and duties owing by the Debtor to the Bank of any kind or nature, present or future, whether or not evidenced by any note, guaranty or other instrument (the Term Note, the Revolving Promissory Note and all of the other indebtedness and obligations described in this Section 2 are hereinafter collectively referred to as the "Secured Obligations"). The term "Secured Obligations" includes, without limitation, all interest, charges, expenses, reasonable attorneys' fees and any other sums chargeable to the Debtor under the Loan Agreement, the Term Note, the Revolving Promissory Note and any other Loan Instrument. All of the terms and provisions of the Term Note,

the Revolving Promissory Note and the Loan Agreement are hereby incorporated by reference into this Intellectual Property Rights Security Agreement. The Secured Obligations are secured by this Intellectual Property Rights Security Agreement with such priority as the Bank may select in its sole and absolute discretion at any time or from time to time.

3. Representations and Warranties. The Debtor represents, warrants and covenants as follows:

(a) A true and complete list of all Patents owned, held (whether pursuant to a license or otherwise) or used by the Debtor, in whole or in part, is set forth on Exhibit A attached hereto and made a part hereof.

(b) To the best of the Debtor's knowledge, each of the Patents is valid, subsisting and enforceable and, except as set forth on Exhibit A attached hereto and made a part hereof, the Debtor is not aware of any pending or threatened claim by any third party that the Patents are invalid or unenforceable or that the use of any of the Patents does or may violate the rights of any third person or of any basis for such claim.

(c) A true and complete list of all Trademarks, Registrations and Trademark Rights owned, held (whether pursuant to a license or otherwise) or used by the Debtor, in whole or in part, is set forth on Exhibit B attached hereto and made a part hereof.

(d) To the best of the Debtor's knowledge, each of the Trademarks, Registrations and Trademark Rights are valid, subsisting and enforceable and, except as set forth on Exhibit B attached hereto and made a part hereof, the Debtor is not aware of any pending or threatened claim by any third party that the Trademarks, Registrations or Trademark Rights are invalid or unenforceable or that the use of any Trademarks, Registrations or Trademark Rights violates the rights of any third person or of any basis for any such claim.

(e) The Debtor has full power, authority and legal right to pledge all of the Collateral pursuant to this Intellectual Property Rights Security Agreement and none of the Debtor's Affiliates has any right, title or interest in any Collateral.

(f) The Debtor has used and will continue to use proper statutory notice in connection with its use of each of the commercially significant Patents, Trademarks, Registrations and Trademark Rights.

(g) The Debtor has used, and will continue to use, standards of quality consistent with the Debtor's past practices in the manufacture, sale and delivery of products and services sold or delivered under or in connection with the Trademarks, Registrations and Trademark Rights.

(h) The execution, delivery and performance of this Intellectual Property Rights Security Agreement by the Debtor does not conflict with, result in a breach of, constitute (with due notice or lapse of time or both) a default under, or require the limitation of or consent under, any agreement, document or instrument to which the Debtor is a party or is otherwise bound, including, without limitation, any agreement pursuant to which the Debtor licenses or has the right to use any Collateral.

(i) Upon the funding of the Term Loan and the initial Revolving Credit Loan under the Loan Agreement and the application thereof to the payment in full of all Indebtedness owed by the Debtor to Heller Financial, Inc., the Debtor will be the beneficial and legal owner of the Collateral free and clear of any lien or security interest except for the security interest and conditional assignment created by this Intellectual Property Rights Security Agreement.

(j) The Debtor's chief executive office is located at the address specified in Section 25 of this Intellectual Property Rights Security Agreement, which address qualifies as its "location" under the Code.

(k) All information heretofore, herein or hereafter supplied to the Bank by or on behalf of the Debtor with respect to the Collateral is accurate and complete in all material respects.

4. New Patents and Applications. If the Debtor shall obtain rights to any new material patentable inventions, or become entitled to the benefit of any patent application or patent for any re-issue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of this Intellectual Property Rights Security Agreement shall automatically apply thereto. The Debtor shall promptly notify the Bank in writing of the Debtor's receipt of any of the foregoing rights or benefits. Concurrently with the filing of an application for any Patent, the Debtor shall execute, deliver and record in all places where this Intellectual Property Rights Security Agreement is recorded an appropriate Patent and License Security Agreement, substantially in the form hereof, with appropriate insertions, or an amendment to this Intellectual Property Rights Security Agreement, in form and substance satisfactory to the Bank, pursuant to which the Debtor shall grant an assignment and security interest to the extent of its interest in such Patent as provided herein to the Bank unless so doing would, in the reasonable judgment of the Debtor, after due inquiry, result in the grant of a patent in the name of the Bank, in which event the Debtor shall give written notice to the Bank as soon as reasonably practicable and the filing shall instead be undertaken as soon as practicable but in no case later than immediately following the grant of the Patent.

5. Patent Applications and Litigation.

(a) The Debtor shall have taken all commercially reasonable steps to prosecute any patent application of the Patents spe-

cifically identified on Exhibit A attached hereto and made a part hereof pending as of the date of this Intellectual Property Rights Security Agreement, to make application on any existing or future unpatented but patentable material inventions and to preserve and maintain all material Patents. Any expenses incurred in connection therewith shall be borne solely by the Debtor. The Debtor shall not, as to any material patentable inventions and Patents, abandon any right to file a patent application or any pending patent application or patent without the prior written consent of the Bank, which shall not be unreasonably withheld; provided, however, nothing herein shall prevent the Debtor from abandoning any such patent application, Patent, or related rights in connection with cessation of a product line or as a reasonable response to governmental action or threatened or pending litigation.

(b) Except as provided in Section 12 hereof and notwithstanding Section 1 hereof, the Debtor shall have the right to commence and prosecute in its own name, as real party in interest, for its own benefit and at its own expense, such suits, proceedings or other actions for infringement, unfair competition, or other damage or reexamination or reissue proceedings as are in its reasonable business judgment necessary to protect the Patents. The Bank shall provide at the Debtor's expense all reasonable and necessary cooperation in connection with any such suit, proceeding or action, including, without limitation, joining as a necessary party.

(c) The Debtor shall promptly, following its becoming aware thereof, notify the Bank of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office or any federal, state, local or foreign court regarding the Bank's claim of ownership in or right to use any of the Patents. The Debtor shall provide to the Bank any information with respect thereto requested by the Bank.

6. New Trademarks, Registrations and Trademark Rights. If the Debtor shall obtain rights to any material new Trademarks, Registrations or Trademark Rights, the provisions of this Intellectual Property Rights Security Agreement shall automatically apply thereto. The Debtor shall promptly notify the Bank in writing of any rights to any new material Trademarks or Trademark Rights acquired by the Debtor after the date hereof and of any Registrations issued or applications for Registration made after the date hereof. Concurrently with the filing of an application for Registration for any Trademark, the Debtor shall execute, deliver and record in all places where this Intellectual Property Rights Security Agreement is recorded an appropriate Trademark and License Security Agreement, substantially in the form hereof, with appropriate insertions, or an amendment to this Intellectual Property Rights Security Agreement, in form and substance satisfactory to the Bank, pursuant to which the Debtor shall grant a security interest and conditional assignment to the extent of its interest in such Registration as provided herein to the Bank to secure the payment and performance of the Secured Obligations unless so doing would, in the reasonable judgment of the Debtor, after due inquiry, result in the grant of a Registration in the name of the Bank, in which event

the Debtor shall give written notice to the Bank as soon as reasonably practicable and the filing shall instead be undertaken as soon as practicable but in no case later than immediately following the grant of the Registration.

7. Trademark Applications and Litigation.

(a) The Debtor shall have taken all commercially reasonable steps to prosecute any trademark application of the Trademarks specifically identified on Exhibit B attached hereto and made a part hereof as pending as of the date of this Intellectual Property Rights Security Agreement, shall make federal application on any existing or future registerable but unregistered material Trademarks, shall file and prosecute opposition and cancellation proceedings, shall renew Registrations and shall do any and all acts which are necessary or desirable to preserve and maintain all rights in all material Trademarks, Registrations and Trademark Rights. Any expenses incurred in connection therewith shall be borne solely by the Debtor. The Debtor shall not abandon any material Trademark, Registration or Trademark Right, without the prior written consent of the Bank, which shall not be unreasonably withheld; provided, however, nothing herein shall prevent the Debtor from abandoning any such application, Trademark, Registration or Trademark Right in connection with cessation of a product line or as a reasonable response to governmental action or threatened or pending litigation.

(b) Except as provided in Section 14 hereof and notwithstanding Section 1 hereof, the Debtor shall have the right to commence and prosecute in its own name, as real party in interest, for its own benefit and at its own expense, such suits, proceedings or other actions for infringement, unfair competition, dilution or other damage as are in its reasonable business judgment necessary to protect the Collateral. The Bank shall provide at the Debtor's expense all reasonable and necessary cooperation in connection with any such suit, proceeding or action including, without limitation, joining as a necessary party.

(c) The Debtor shall promptly, following its becoming aware thereof, notify the Bank of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office or any federal, state, local or foreign court regarding the Debtor's claim of ownership in or right to use any of the Trademarks, Registrations or Trademark Rights, its right to register the same, or its right to keep and maintain such Registration. The Debtor shall provide to the Bank any information with respect thereto requested by the Bank.

8. Debtor's Covenants. On a continuing basis, the Debtor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, including, without limitation, appropriate UCC-1 Financing Statements and UCC-3 Continuation Statements and collateral agreements, and take all such action as may be reasonably requested by the Bank to carry out the intent and

purposes of this Intellectual Property Rights Security Agreement, to assure, confirm or protect the grant or perfection of the security interest and conditional assignment granted or purported to be granted hereby, to ensure the Debtor's compliance with this Intellectual Property Rights Security Agreement or to enable the Bank to exercise and enforce its rights and remedies hereunder with respect to the Collateral. Without limiting the generality of the foregoing sentence, the Debtor:

(a) Authorizes the Bank in its sole discretion, after ten (10) days' prior written notice to the Debtor, to modify this Intellectual Property Rights Security Agreement without first obtaining the Debtor's approval of or signature to such modification by amending Exhibit A attached hereto and made a part hereof, to include reference to any right, title or interest in any existing Patent and any Patent acquired or developed by the Debtor after the execution hereof or to delete any reference to any right, title or interest in any Patent in which the Debtor no longer has or claims any right, title or interest;

(b) Authorizes the Bank in its sole discretion after ten (10) days' prior notice to the Debtor, to modify this Intellectual Property Rights Security Agreement without first obtaining the Debtor's approval of or signature to such modification by amending Exhibit B attached hereto and made a part hereof to include reference to any right, title or interest in any existing Trademark, Registration or Trademark Right or any Trademark, Registration or Trademark Right acquired or developed by the Debtor after the execution hereof or to delete any reference to any right, title or interest in any Trademark, Registration or Trademark Right in which the Debtor no longer has or claims any right, title or interest;

(c) Hereby authorizes the Bank, in its sole discretion, to file one or more UCC-1 Financing Statements or UCC-3 Continuation Statements, and after ten (10) days prior notice to the Debtor, amendments thereto, relative to all or any portion of the Collateral without the signature of the Debtor where permitted by law;

(d) Shall keep reasonable records respecting the Collateral;

(e) Shall at all times keep at least one complete set of its records concerning substantially all of the Patents, Trademarks, Registrations and Trademark Rights at its chief executive office or principal place of business as set forth above and will not change the location of its chief executive office or such records without giving the Bank at least thirty (30) days' prior written notice thereof;

(f) Shall notify the Bank promptly of any change in the Debtor's name, identity or corporate structure within thirty (30) days of such change;

(g) Shall not enter into any agreement which would or might impair or conflict with the Debtor's obligations hereunder in any material respect;

(h) Shall not permit the inclusion in any contract to which it becomes a party of any provision that is reasonably likely to impair or prevent in any material respect the creation of a security interest and assignment in the Debtor's rights and interest in any property included within the definitions of Patents, Trademarks, Registrations, Trademark Rights and Associated Goodwill acquired under such contracts;

(i) Shall properly maintain and care for the Collateral;

(j) Shall not grant or permit to exist any lien or security interest upon or with respect to the Collateral or any portion thereof other than the lien and security interest created hereunder;

(k) If the Bank shall be entitled to notice thereof under the Loan Agreement, upon any officer of the Debtor obtaining knowledge thereof, shall promptly notify the Bank in writing of any event that may materially and adversely affect the value of the Collateral or any material portion thereof, the ability of the Debtor or the Bank to dispose of the Collateral or any material portion thereof or the rights and remedies of the Bank in relation thereto including, without limitation, the levy of any legal process against the Collateral or any material portion thereof;

(l) Shall not knowingly use or permit any Collateral to be used in any material respect unlawfully or in violation of any provision of this Intellectual Property Rights Security Agreement, or any applicable statute, regulation or ordinance or any policy of insurance covering the Collateral; and

(m) Shall furnish to the Bank from time to time statements and schedules further identifying and describing the Collateral and such other materials evidencing or reports pertaining to the Collateral as the Bank may reasonably request, all in reasonable detail.

9. Amounts Payable in Respect of the Collateral. Except as otherwise provided in this Section 9 and in the Security Agreement to which the Debtor is a party, the Debtor shall continue to collect, at its own expense, all amounts due or to become due to the Debtor in respect of the Collateral or any portion thereof. Upon the occurrence and during the continuance of an Event of Default defined in Section 13 hereof, the Bank is hereby given full power and authority, (a) to notify any and all obligors with respect to the Collateral or any portion thereof of the existence of the security interest created and the conditional assignment effected hereby, (b) to demand, take, collect, sue for and receive for its own use all amounts due or to become due to the Debtor in respect of the Collateral or any portion thereof, and (c) in connection therewith, to enforce all rights and remedies with respect to the

Collateral or any portion thereof which the Debtor could enforce if this Intellectual Property Rights Security Agreement had not been executed and delivered by the Debtor and the Bank. The Debtor hereby ratifies any action which the Bank shall lawfully take in accordance with the terms of this Intellectual Property Rights Security Agreement to enforce the Bank's rights hereunder. Whether or not the Bank shall have so notified any obligors, the Debtor shall at its expense render all reasonable assistance to the Bank in enforcing claims against such obligors.

10. Patent Litigation After Default. Upon the occurrence and during the continuance of an Event of Default defined in Section 13 hereof, the Debtor's license under the Patents as set forth in Section 12 hereof shall terminate forthwith, and the Bank shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, and any license thereunder, in which event the Debtor shall, at the request of the Bank, do any and all lawful acts and execute any and all proper documents required by the Bank in aid of such enforcement and the Debtor shall promptly, upon demand, reimburse and indemnify the Bank and any other Indemnitee as provided in Section 21 hereof in connection with the exercise of their rights under this Section 10. To the extent that the Bank shall elect not to bring suit to enforce the Patents, and any license thereunder, the Debtor agrees to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement of any of the Patents by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any person so infringing necessary to prevent such infringement.

11. Trademark Litigation After Default. Upon the occurrence and during the continuance of an Event of Default defined in Section 13 hereof, the Bank shall have the right but shall in no way be obligated to bring suit in the name of the Debtor or the Bank to enforce any Trademark, Registration, Trademark Right, Associated Goodwill and any license thereunder, in which event the Debtor shall, at the request of the Bank, do any and all lawful acts and execute any and all documents required by the Bank in aid of such enforcement and the Debtor shall promptly, upon demand, reimburse and indemnify the Bank and any other Indemnitee as provided in Section 21 hereof in connection with the exercise of their rights under this Section 11. To the extent that the Bank shall elect not to bring suit to enforce any Trademark, Registration, Trademark Right, Associated Goodwill or any license thereunder, the Debtor agrees to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement of any of the Trademarks, Registrations, Trademark Rights or Associated Goodwill by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any person so infringing necessary to prevent such infringement.

12. License to the Debtor.

(a) Unless and until there shall have occurred and be continuing an Event of Default defined in Section 13 hereof, the

Bank hereby grants to the Debtor the exclusive, non-transferable right and license under the Patents to make, have made for it, use and sell the inventions disclosed and claimed in the Patents for the Debtor's own benefit and account and for none other except in the ordinary course of business. The Debtor agrees not to sell or assign or in any way transfer its interest in, or grant any sub-license under, the license granted to the Debtor under this Section 12, without the prior written consent of the Bank.

(b) In addition to and not in limitation of the undertakings set forth in Section 21 hereof, the Debtor hereby agrees to indemnify and hold harmless the Bank, and any of its respective officers, directors, employees, agents and affiliates (collectively, the "Indemnitees") for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees) or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against that Indemnitee in connection with, or in any way arising out of, any such suits, proceedings or other actions concerning, or the defense of, any such suits, proceedings or other actions, whether that claim is made by the Debtor or any other person, and for any damages and lost profits which may be awarded as a consequence of any such suits, proceedings or other actions in which an allegation of the liability, strict or otherwise, of the Debtor is or may be made by any person who alleges or may allege having suffered damages as a consequence of alleged improper, imprudent, reckless, negligent, willful, faulty, defective or substandard design, testing, specification, manufacturing supervision, manufacturing defect, manufacturing deficiency, publicity or advertisement, or improper use, howsoever arising or by whomsoever caused, or any inventions disclosed and claimed in the Patents; provided however that the Debtor shall not be liable to an Indemnitee for any indemnified liability to the extent arising from the bad faith, gross negligence or willful misconduct of any Indemnitee or the failure by any Indemnitee to exercise reasonable care in the custody and preservation of the Collateral to the extent and in the manner provided in Section 19 hereof. Subject to Section 19(a) hereof no Indemnitee shall have any duty to the Debtor to undertake any affirmative action in connection with this Intellectual Property Rights Security Agreement or the Collateral and any failure by any Indemnitee to undertake any action hereunder shall not constitute gross negligence or willful misconduct of such Indemnitee.

13. Events of Default. The following shall each constitute an "Event of Default" hereunder:

(a) If the Debtor shall breach, violate or fail to perform or observe any covenant, obligation, agreement, condition or other provision contained in this Intellectual Property Rights Security Agreement, and the same is not cured to the reasonable satisfaction of the Bank within thirty (30) days after the Bank has specified such default in a written notice delivered to the Debtor.

(b) The occurrence and continuation of any Event of Default under and as defined in the Loan Agreement, to the extent

the same is not cured in accordance with the terms and provisions of the Loan Agreement.

14. Certain Remedies Upon Default; Decisions Relating to Exercise of Remedies; Limitations on Exercise of Remedies. If an Event of Default defined in Section 13 hereof has occurred and is continuing:

(a) The Bank may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Code (whether or not the Code applies to the affected Collateral) and the Bank may also, to the extent permitted by law, in its sole discretion (i) require the Debtor to, and the Debtor hereby agrees that it will at its expense and upon request of the Bank forthwith, assemble all or part of the Collateral as directed by the Bank and make it available to the Bank at a place to be designated by the Bank that is reasonably convenient to both parties; (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Bank's offices or elsewhere, at such time or times, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Bank may deem commercially reasonable, irrespective of the impact of any such sales on the market price of any of the Collateral; (iii) occupy any premises owned or leased by the Debtor where the Collateral or any part thereof is located for a reasonable period in order to effectuate its rights and remedies hereunder or under law, without obligation to the Debtor in respect of such occupation; and (iv) exercise any and all rights and remedies of the Debtor under or in connection with the contracts related to the Collateral or otherwise in respect of the Collateral, including, without limitation, any and all rights of the Debtor to demand or otherwise require payment of any amount under, or performance of any provision of, such contracts. The Debtor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to the Debtor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. At any sale of any of the Collateral, if permitted by law, the Bank may bid (which bid may be, in whole or in part, in the form of cancellation of indebtedness) for and purchase the Collateral or any portion thereof for the account of the Bank. The Bank shall not be obligated to make any sale of the Collateral regardless of notice of sale having been given. The Bank may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Debtor recognizes that the Bank may elect in its sole discretion to sell all or part of the Collateral to one or more purchasers in privately negotiated transactions. Each such purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of the Debtor, and the Debtor hereby waives (to the extent permitted by law) all rights of redemption, stay and/or appraisal which it now has or may at any

time in the future have under any rule of law or statute now existing or hereafter enacted.

(b) Upon the written demand of the Bank, the Debtor shall execute and deliver to the Bank an assignment or assignments of the Trademarks, Registrations, Trademark Rights and the Associated Goodwill and such other documents as are necessary or appropriate to carry out the intent and purposes of this Intellectual Property Rights Security Agreement; provided that the failure of the Debtor to comply with such demand will not impair or affect the validity of the conditional assignment effected by Section 1 hereof or its effectiveness upon notice by the Bank as specified in Section 1 hereof. The Debtor agrees that such an assignment (including, without limitation, the conditional assignment effected by Section 1 hereof) and/or recording shall be applied to reduce the Secured Obligations outstanding only to the extent that the Bank receives cash proceeds in respect of the sale of, or other realization upon, the Collateral.

(c) Within five (5) Business Days of written notice from the Bank, the Debtor shall make available to the Bank, to the extent within the Debtor's power and authority, such personnel then in the Debtor's employ as the Bank may reasonably designate, by name, title or job responsibility, to permit the Debtor to continue, directly or indirectly, to produce, advertise and sell the products and services sold or delivered by the Debtor under or in connection with the Trademarks, Registrations and Trademark Rights, such persons to be available to perform their prior functions on the Bank's behalf and to be compensated by the Bank at the Debtor's expense on a per diem, pro-rata basis consistent with the salary and benefit structure applicable to each as of the date of the occurrence of any Event of Default defined in Section 13 hereof.

(d) All cash proceeds received by the Bank in respect of any sale of, collection from, or other realization upon, all or any part of the Collateral may, in the discretion of the Bank be held by the Bank as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable pursuant to Sections 12(b), 20 and 21 hereof) in whole or in part by the Bank to the payment of the Secured Obligations in such order as the Bank shall select in its sole and absolute discretion.

15. Decisions Relating to Exercise and Remedies; Amendments, Non-Disturbance Agreements, Limitation of Rights of the Bank, etc. No amendment or waiver of any provision of this Intellectual Property Rights Security Agreement nor consent to any departure by the Debtor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. If and to the extent that the Debtor is permitted to license the Collateral, at the Debtor's request and expense, the Bank shall enter into a non-disturbance agreement or other similar arrangement with the Debtor and any licensee of any Collateral permitted hereunder in form and substance reasonably satisfactory to the Bank pursuant to which (a)

the Bank shall agree not to disturb or interfere with such licensee's rights under its license agreement with the Debtor so long as such licensee is not in default thereunder, and (b) such licensee shall acknowledge and agree that the Collateral licensed to it is subject to the security interest and conditional assignment created in favor of the Bank and the other terms of this Intellectual Property Rights Security Agreement.

16. Debtor Remains Liable. Anything herein to the contrary notwithstanding, (a) the Debtor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Intellectual Property Rights Security Agreement had not been executed, (b) the exercise by the Bank of any of the rights hereunder shall not release the Debtor from any of its duties or obligations under the contracts and agreements included in the Collateral, (c) the Bank shall not have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Intellectual Property Rights Security Agreement, nor shall the Bank be obligated to perform any of the obligations or duties of the Debtor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder, unless and until the Bank enforces its security interest in the Collateral, and (d) the powers conferred on the Bank hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon the Bank to exercise any such powers.

17. Bank Appointed Attorney-in-Fact. The Debtor hereby irrevocably appoints the Bank the Debtor's attorney-in-fact, with full authority in the place and stead of the Debtor and in the name of the Debtor, the Bank or otherwise, from time to time in the Bank's discretion upon the occurrence and during the continuance of any Event of Default defined in Section 13 hereof, to take any action and to execute any instrument which the Bank may deem necessary or advisable to accomplish the purposes of this Intellectual Property Rights Security Agreement, including, without limitation: (a) to endorse the Debtor's name on all applications, documents, papers and instruments necessary for the Bank in the use or maintenance of the Collateral, (b) to ask, demand, collect, sue for, recover, impound, receive and give acquittance and receipts for money due and to become due under or in respect of any of the Collateral, (c) to file any claims or take any action or institute any proceedings that the Bank may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Bank with respect to any of the Collateral and to execute and deliver any of the assignments or documents requested by the Bank pursuant to Section 14(b) hereof, to grant or issue an exclusive or non-exclusive license to the Collateral or any portion thereof to any person or to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to any person. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

18. Bank May Perform. If the Debtor fails to perform any agreement contained herein, the Bank itself may (but shall not be obligated to) perform, or cause performance of, such agreement, and the expenses of the Bank, including the fees and expenses of its counsel, so incurred in connection therewith shall be payable by the Debtor under Section 20 hereof.

19. Bank's Duties and Liabilities.

(a) The powers conferred on the Bank hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care for the safe custody of any Collateral (which is, with respect to tangible personal property, in its possession) and the accounting for moneys and other proceeds actually received by it hereunder, the Bank shall not have any duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Bank shall be deemed to exercise reasonable care in the custody and preservation of such Collateral if such Collateral is accorded treatment substantially equal to that which the Bank accords its own property.

(b) The Bank shall not be liable to the Debtor (i) for any loss or damage sustained by it, or (ii) for any loss, damage, depreciation or other diminution in the value of any of the Collateral, that may occur as a result of, in connection with or that is in any way related to (x) any exercise by the Bank of any right or remedy under this Intellectual Property Rights Security Agreement or (y) any other act of or failure to act by the Bank, except to the extent that the same is the result of acts or omissions on the part of the Bank constituting bad faith, gross negligence or willful misconduct or the failure by the Bank to exercise reasonable care in the custody and preservation of Collateral as set forth in subparagraph (a) above.

20. Expenses. The Debtor will, upon demand, pay to the Bank the amount of any and all reasonable fees and expenses, including, without limitation, the reasonable fees and disbursements of its counsel (including foreign counsel) and of any experts and agents, that the Bank may incur in connection with (a) the administration of this Intellectual Property Rights Security Agreement (including, without limitation, any amendments, modifications or waivers hereto and the filing or recording of any documents), (b) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral, (c) the exercise or enforcement of any of the rights of the Bank hereunder, or (d) the failure by the Debtor to perform or observe any of the provisions hereof.

21. Indemnification. The Debtor hereby agrees to indemnify, pay and hold the Bank and any of its officers, directors, employees, agents and affiliates (collectively called the "Indennitees") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims,

costs, expenses or disbursements of any kind and nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees, including any investigative, administrative or judicial proceeding commenced or threatened described in Sections 5 and 7 hereof or otherwise, whether or not such Indemnitee shall be designated a party thereto) which may be imposed on, incurred by or asserted against that Indemnitee in any way relating to or arising out of this Intellectual Property Rights Security Agreement or any other documents contemplated by or referred to herein or the transactions contemplated hereby or the enforcement of the terms hereof or of any such other documents (the "indemnified liabilities"); provided however that the Debtor shall not be liable to an Indemnitee for any indemnified liability to the extent arising from the bad faith, gross negligence or willful misconduct of that Indemnitee or the failure by such Indemnitee to exercise reasonable care in the custody and preservation of the Collateral to the extent and in the manner provided in Section 19 hereof. Subject to Section 19(a) hereof, no Indemnitee shall have any duty to the Debtor to undertake any affirmative action in connection with this Intellectual Property Rights Security Agreement or the Collateral and any failure by any Indemnitee to undertake any action hereunder shall not constitute bad faith, gross negligence or willful misconduct of such Indemnitee.

22. No Waiver. No failure on the part of the Bank to exercise, and no course of dealing with respect to and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Bank of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein provided are to the fullest extent permitted by law cumulative and are not exclusive of any remedies provided by law.

23. Continuing Security Interest and Conditional Assignment; Transfer of Loans or Notes. This Intellectual Property Rights Security Agreement shall create a continuing security interest in, and conditional assignment of, the Collateral and shall (a) remain in full force and effect until payment in full of the Secured Obligations and the termination of the Loan Agreement, (b) be binding upon the Debtor, its successors and assigns, and (c) inure to the benefit of the Bank and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), the Bank may, to the extent expressly permitted under the Loan Agreement, assign or otherwise transfer any Secured Obligation and the transferee thereof shall thereupon become vested with all the benefits in respect thereof granted to the Bank or otherwise. Upon the payment in full of the Secured Obligations and the termination of the Loan Agreement, the security interest and conditional assignment granted hereby shall automatically terminate and all rights to the Collateral shall revert to the Debtor, subject to any disposition thereof that may have been made by the Bank pursuant hereto. Upon any such termination, the Bank will, at the Debtor's expense, execute and deliver to the Debtor such documents as the Debtor shall reasonably request to evidence such termination.

24. Reassignment. If (a) an Event of Default defined in Section 13 hereof shall have occurred and, by reason of waiver, modification, amendment or otherwise, no longer be continuing, (b) no other Event of Default shall be continuing, (c) an assignment to the Bank shall have been previously made pursuant to Sections 1, 14 or Section 17 hereof, and (d) the Secured Obligations shall not have become immediately due and payable, all Collateral assigned to the Bank shall be automatically reassigned to the Debtor, and upon the reasonable written request of the Debtor, the Bank shall promptly (at the Debtor's expense) execute and deliver to the Debtor such assignments as may be necessary to reassign to the Debtor any rights, title and interests as may have been assigned pursuant to Sections 1, 14 or 17 hereof, subject to any disposition thereof that may have been made by the Bank pursuant hereto; provided, that, after giving effect to such reassignment, the Bank's security interest and conditional assignment granted pursuant to Section 1 hereof, as well as all other rights and remedies of the Bank granted hereunder, shall continue to be in full force and effect; and provided further that the rights, title and interests so reassigned shall be free and clear of all security interests and liens other than security interests and liens encumbering such rights, title and interests at the time of their assignment to the Bank.

25. Notices. All notices required or permitted to be given hereunder shall be given in writing and shall be personally delivered or sent by telecopier, by an express courier service or by registered or certified United States mail, return receipt requested, postage prepaid, addressed as follows (or to such other address as to which any party hereto shall have given the other written notice):

If to the Debtor: The Torbitt & Castleman Company
P. O. Box 98
Buckner, KY 40010
Attn: Mr. Larry McCarty
Facsimile Number: (502) 222-1884

cc: The Northern Group
900 Fourth Avenue
Suite 3140
Seattle, WA 98164
Attn: Mr. Michael Harris
Facsimile Number: (206) 622-3319

cc: Alan D. Smith, Esq.
Perkins Coie
1201 Third Avenue, 40th Floor
Seattle, WA 98101
Facsimile Number: (206) 583-8500

If to the Bank: Bank One, Kentucky, NA
416 West Jefferson Street
Louisville, KY 40202
Attn: Mr. Dennis P. Heishman,
Senior Vice President
Facsimile Number: (502) 566-2367

cc: Bank One, Kentucky, NA
416 West Jefferson Street
Louisville, KY 40202
Attn: Legal Department
Facsimile Number: (502) 566-1839

cc: Scott W. Brinkman, Esq.
Rixn Doheny & Harper
2000 Meidinger Tower
Louisville, KY 40202
Facsimile Number: (502) 585-2207

All notices hereunder shall be deemed given upon actual receipt in accordance with the foregoing.

26. Waiver. The Debtor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Secured Obligations and this Intellectual Property Rights Security Agreement and any requirement that the Bank protect, secure, perfect or insure any security interest or lien or any property subject thereto or exhaust any right or take any action against the Debtor or any other person or entity or any of the Collateral.

27. Governing Law; Terms. This Intellectual Property Rights Security Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Kentucky without regard to conflict of laws principles, and except to the extent that the validity or perfection of the security interests granted hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the Commonwealth of Kentucky. Unless otherwise defined herein or in the Loan Agreement, terms used in Article 9 of the Code in the Commonwealth of Kentucky are used herein as therein defined.

28. Severability. In case any provision in or obligation under this Intellectual Property Rights Security Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

29. Capitalized Terms. Each capitalized term used herein, unless otherwise expressly defined herein, shall have the meaning set forth in the Loan Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Intellectual Property Rights Security Agreement to be executed by

their respective officers thereunto duly authorized as of the date first above written.

THE TORBITT & CASTLEMAN COMPANY

By: *James C. McCarty*

Title: *Treasurer & CFO*

(the "Debtor")

BANK ONE, KENTUCKY, NA

By: *Dennis P. Heishman*

Dennis P. Heishman,
Senior Vice President

(the "Bank")

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EXHIBIT A
TO
PATENT, TRADEMARK AND
LICENSE SECURITY AGREEMENT

PATENTS ISSUED

None.

PATENTS PENDING

None.

EXHIBIT 8

TORBITT & CASTLEMAN

SCHEDULE OF ACTIVE REGISTRATIONS

June 21, 1996

Mark	Reg. No.	Reg. Date	Goods	Class	Next Event	Next Reg. Date	Current Reg. Owner	Comments
BILLY BOY	1,161,181	07/14/81	peanut butter and fruit preserves	29	Renewal	07/14/2001	Torbitt & Castleman	
BOB WHITE (plus design)	541,272	04/24/51	table syrup, namely, crystal white syrup, golden syrup and waffle syrup	30	Renewal	04/24/2001	Torbitt & Castleman	
BOB WHITE (stylized)	541,273	04/24/51	table syrup, namely, crystal white syrup, golden syrup and waffle syrup	30	Renewal	04/24/2001	Torbitt & Castleman	
CHICKEN 'N RIBS	1,840,702	06/21/94	barbecue sauce	30	Sec 8/15 Renewal	06/21/2000	Torbitt & Castleman	
DIXIE DEW	1,099,755	08/15/78	table syrups for human consumption	30	Renewal	08/15/98	Torbitt & Castleman	
HITCHING POST	1,648,280	06/18/91	Barbecue sauce	30	Sec 8/15 Renewal	06/18/97 06/18/2001	Torbitt & Castleman	

TRADE MARK

Mark	Reg. No.	Reg. Date	Goods/Services	Class	Reg. Type	Reg. No.	Reg. Date	Owner	Comments
HOME BRAND	1,797,998	10/12/93	peanut butter, jelly, fruit preserves and marmalade	30	Sec 8/15 Renewal	10/12/99 10/12/2003	07/13/99 07/13/2003	Torbitt & Castleman	
KING	780,442	11/17/64	table syrup	30	Renewal	11/17/2004		Torbitt & Castleman	
KING (stylized)	250,953	12/18/28	compound of corn syrup, refiner's syrup, and granulated sugar and a compound of corn syrup and west India molasses	30	Renewal	02/20/2008		Torbitt & Castleman	Mark originally registered as NH CO KING and design; appears to have been amended between 2nd and 3rd renewal
KING PO-T-RIK (stylized)	269,402	04/08/30	Compound of corn syrup and west India molasses	30	Renewal	04/08/2000		Torbitt & Castleman	
LA CANTINA	1,781,604	07/13/93	Mexican sauces, namely, taco, picante and salsa	30	Sec 8/15 Renewal	07/13/99 07/13/2003		Torbitt & Castleman	

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Mark	Reg. No.	Reg. Date	Goods	Class	Renewal	Renewal Date	Owner	Notes
MAPLE INN	1,425,010	01/13/07	maple syrup	30	Renewal	01/13/2007	Torbitt & Castleman	
MAPLE RICH	1,443,705	06/16/87	maple syrup	30	Renewal	06/16/2007	Torbitt & Castleman	
MAPLE RICH	1,840,713	06/21/94	maple syrup	30	Sec 8/15 Renewal	06/21/2004	Torbitt & Castleman	
MAPLETTOWN	1,799,554	10/19/93	pancake and waffle syrup	30	Sec 8/15 Renewal	10/19/99 10/19/2003	Torbitt & Castleman	
MAPLETTOWN	Canada 428,642	06/10/94	table syrup	30	Renewal	06/10/2009	Torbitt & Castleman	
PENNANT	1,809,418	12/07/93	table syrup	30	Sec 8/15 Renewal	12/07/99 12/07/2003	Torbitt & Castleman	
PENNANT (plus design)	199,647	01/16/25	corn syrup	30	Renewal	06/16/2005	Torbitt & Castleman	
SUGARTREE	1,047,797	09/07/76	syrup	30	Renewal	09/07/96	Torbitt & Castleman	per cl 3/11/96 - do not renew
TORBITT & CASTLEMAN	1,563,614	10/31/89	barbecue sauce and steak sauce	30	Renewal	10/31/2009	Torbitt & Castleman	
TORBITT & CASTLEMAN	Ky 08582	03/07/89	meat and cooking sauce	30	Renewal	03/07/99	Torbitt & Castleman	
TORBITT & CASTLEMAN	Ser. No. 75/004,497	Filed 10/12/95	chocolate syrup and maple syrup	30	Awaiting office action		Torbitt & Castleman	

UNCLE JACK'S	1,827,632	03/22/94	Cable syrup	30	Sec 8/15 Renewal	03/22/2000 03/22/2004	Torbitt & Castleman	
VBLVET	Calif. 083992	03/19/87	peanut butter	29	Renewal	03/19/97	Torbitt & Castleman	
VBLVET	Colorado 32300	01/16/87	foods and ingredients of foods	U.S. 46	Renewal	01/16/97	Torbitt & Castleman	
VBLVET	Idaho 10891	12/15/86	peanut butter	U.S. 46	Renewal	12/15/96	Torbitt & Castleman	
VBLVET	Louisiana 441578	08/08/86	meats and processed foods	29	Renewal	08/08/96	Torbitt & Castleman	Per client 2/96 - do not renew
VBLVET	Michigan M00-053	10/06/86	foods and ingredients of foods	U.S. 46	Renewal	10/06/96	Torbitt & Castleman	
VBLVET	N. Dakota 5596200	01/29/87	foods and ingredients of foods	U.S. 46	Renewal	01/29/97	Torbitt & Castleman	
VBLVET	Tennessee	01/16/87	foods and ingredients of foods	U.S. 46	Renewal	01/16/97	Torbitt & Castleman	

TRADEMARK

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RECORDED: 01/04/2001