

RECORD
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To the Honorable Commissioner of Patents and Trademarks

and attached original documents or copy thereof.

1. Name of conveying party(ies):

R.H. Phillips, Inc.

1-20-01
0

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

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

3. Nature of conveyance:

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

Execution Date: December 19, 2000

2. Name and address of receiving party(ies)

Name: The Bank of Nova Scotia, as Administrative Agent

Internal Address: _____

Street Address: 44 King Street W., 16th Floor

City: Toronto State: Ontario ZIP: M5H 1H1

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- Other Canadian Banking Corporation

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment);
Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

See attached

Additional numbers attached? Yes No

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

Name: Rebecca C. Ambriz, Paralegal

Internal Address: Sonnenschein Nath & Rosenthal

8000 Sears Tower

Street Address: 233 South Wacker Drive

City: Chicago State: IL ZIP: 60606

6. Total number of applications and registrations involved: _____

10

7. Total fee (37 CFR 3.41).....\$ 265.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

19-3140

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

DO NOT USE THIS SPACE

01/30/2001 DBYRNE 00000137 2285606

01 FC: 481

40.00 DP
225.00 DP

9. Statement and signature.

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

Rebecca C. Ambriz
Name of Person Signing

Rebecca C. Ambriz
Signature

January 19, 2001

Date

16

Total number of pages including cover sheet, attachments, and document:

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments

Schedule A

to
Trademark Security Agreement

Dated as of December 1, 2000

Trademarks

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
Kempton Clark	2,285,606	October 12, 1999
Kempton Clark Zin and Design	2,318,692	February 15, 2000
EXP and Design	2,285,582	October 12, 1999
Toasted Head and Design	2,285,581	October 12, 1999
Miscellaneous Design	2,285,580	October 12, 1999
Toasted Head	2,135,050	February 3, 1998
Mistura	2,074,735	June 24, 1997
EXP	1,987,101	July 16, 1996
Night Harvest	2,047,097	March 25, 1997
Chateau St. Nicholas	2,015,106	November 12, 1996

Schedule B
to
Trademark Security Agreement

Dated as of December 1, 2000

Licenses

NONE

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("Agreement") made as of the 1st day of December, 2000, by and between R.H. Phillips, Inc. (the "Company"), a California corporation, with its principal executive office located at 26836 County Road 12A, Esparato, California 95627, The Bank of Nova Scotia, a Canadian banking corporation, with its principal office located at 44 King St. W., 16th Floor, Toronto, Ontario M5H 1H1, in its capacity as Administrative Agent (the "Administrative Agent") for and representative of itself and certain lenders under the Credit Agreement described below.

WITNESSETH:

WHEREAS, Vincor International Partnership (the "Borrower") entered into a Credit Agreement dated as of September 25, 2000 (the "Existing Credit Agreement") with the Administrative Agent and certain lenders party thereto, pursuant to which such lenders agreed to make certain loans to the Borrower and the Company guaranteed all of the Borrower's obligations thereunder;

WHEREAS, Vincor International Inc., a Canadian corporation which indirectly owns the Company ("Vincor") has certain existing credit facilities (together with the credit facility under the Existing Credit Agreement, the "Existing Facilities") established by The Bank of Nova Scotia;

WHEREAS, the Borrower and Vincor, severally and not jointly, entered into a Senior Secured Credit Agreement dated as of December 1, 2000 (as amended or otherwise modified from time to time, the "Credit Agreement") with the Administrative Agent and certain other financial institutions party thereto (collectively, the "Lenders") pursuant to which the Lenders have agreed to make certain loans and other availments ("Loans") to the Borrower and to Vincor, for the purpose of refinancing outstanding indebtedness under the Existing Facilities and otherwise for general corporate purposes;

WHEREAS, the Company is an indirect subsidiary of each of Vincor and the Borrower, and Vincor is one of the general partners of the Borrower;

WHEREAS, it is a condition precedent to the Lenders' obligation to fund the Loans that the Company execute and deliver this Agreement; and

WHEREAS, in consideration of the financial and other support that the Borrower and Vincor have provided, and such financial and other support as the Borrower and Vincor may in the future provide to the Company, and in order to induce the Lenders and the Administrative Agent to enter into the Credit Agreement and fund the Loans, the Company is willing to guarantee all of the obligations of Vincor and the Borrower owing under the Credit Agreement and the other Credit Documents (as defined in the Credit Agreement)and grant the security referenced herein.

NOW, THEREFORE, for and in consideration of any loan, advance or other financial accommodation heretofore or hereafter made to the Borrower or Vincor under or in connection

with the Credit Agreement, from which the Company will derive substantial benefit, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company agrees as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, each capitalized term used herein that is defined in the Credit Agreement shall have the meaning specified for such term in the Credit Agreement.

(b) The words “hereof,” “herein” and “hereunder” and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Incorporation of Premises. The premises set forth above are incorporated into this Agreement by this reference hereto and are made a part hereof.

3. Incorporation of the Credit Agreement. The Credit Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.

4. Security Interest in Trademarks. To secure the complete and timely payment, performance and satisfaction of all of the Company’s Secured Obligations, the Company hereby grants to the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of the Company’s:

(a) now owned or existing and hereafter acquired or arising trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including, without limitation, the trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications listed on Schedule A attached hereto and made a part hereof, together with any good will connected with and symbolized by any such trademarks, trademark applications, service marks, registered service marks, service mark applications, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iii) the right to sue for past, present and future infringements and dilutions thereof, and (iv) all of the Company’s rights corresponding thereto throughout the world (all of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications, together with the items described in clauses (i)-(iv) in this Paragraph 4(a), are sometimes hereinafter individually and/or collectively referred to as the “Trademarks”); and

(b) rights under or interest in any trademark license agreements or service mark license agreements related to or in connection with the use of the Trademarks with any other party, whether the Company is a licensee or licensor under any such license agreement, together with any goodwill connected with and symbolized by any such trademark license agreements or service mark license agreements, including, without limitation, those trademark license agreements and service mark license agreements listed on Schedule B attached hereto and made a part hereof, and the right to prepare for sale and sell any and all Inventory now or hereafter owned by the Company and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Licenses").

5. Restrictions on Future Agreements. The Company will not, without Administrative Agent's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and the Company further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Administrative Agent under this Agreement or the rights associated with those Trademarks or Licenses.

6. New Trademarks and Licenses. The Company represents and warrants that (a) the Trademarks listed on Schedule A include all of the registered trademarks and registered service marks now owned by the Company, (b) the Licenses listed on Schedule B include all of the trademark license agreements and service mark license agreements related to or in connection with the Trademarks pursuant to which the Company is the licensee or licensor thereunder and (c) no other liens, claims or security interests have been granted by the Company to any other Person in such Trademarks and Licenses. If, prior to the termination of this Agreement, the Company shall (i) obtain rights to any new trademarks, registered trademarks, trademark applications, service marks, registered service marks or service mark applications, (ii) become entitled to the benefit of any trademarks, registered trademarks, trademark applications, trademark licenses, trademark license renewals, service marks, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor, or (iii) enter into any new trademark license agreement or service mark license agreement, the provisions of Paragraph 4 above shall automatically apply thereto. The Company shall give to Administrative Agent written notice of events described in clauses (i), (ii) and (iii) of the preceding sentence on a quarterly basis. The Company hereby authorizes Administrative Agent to modify this Agreement by amending Schedule A to include any future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications and by amending Schedule B to include any future trademark license agreements and service mark license agreements, which are Trademarks or Licenses under Paragraph 4 above or under this Paragraph 6 provided, however, that this Paragraph 6 shall not apply to trademarks or service marks owned by third parties or agreements permitting to the Company use of such trademarks or service marks in connection with the sale of goods or performance of services in the ordinary course of business.

7. Royalties. The Company hereby agrees that the use by Administrative Agent of the Trademarks and the Licenses as authorized hereunder in connection with the exercise of its remedies under Paragraph 16 shall be coextensive with the Company's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Administrative Agent to the Company.

8. Right to Inspect; Further Assignments and Security Interests. Subject to the terms of the Credit Agreement, the Administrative Agent may at all reasonable times and upon reasonable notice (from and after the time that the Administrative Agent has become entitled to exercise the rights and remedies hereunder as provided in Section 13.01 of the Credit Agreement) have access to, examine, audit, make copies (at the Company's expense) and extracts from and inspect the Company's premises and examine the Company's books, records and operations relating to the Trademarks and the Licenses, including, without limitation, the Company's quality control processes; provided that, in conducting such inspections and examinations, the Administrative Agent shall use reasonable efforts not to unnecessarily disturb the conduct of the Company's ordinary business operations. From and after the time that the Administrative Agent has become entitled to exercise the rights and remedies hereunder as provided in Section 13.01 of the Credit Agreement, the Company agrees that Administrative Agent, or a conservator appointed by Administrative Agent, shall have the right to establish such reasonable additional product quality controls as Administrative Agent or such conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by the Company under the Trademarks and the Licenses. The Company agrees (a) not to sell or assign its interest in, or grant any license under, the Trademarks or the Licenses without the prior and express written consent of Administrative Agent, which consent will not be unreasonably withheld, (b) to maintain the same standards of quality for the goods and services in connection with which the Trademarks and the Licenses are used as the Company maintained for such goods and services prior to the date hereof, and (c) not to change such quality of such goods and services in any material respect without Administrative Agent's prior and express written consent which consent, will not be unreasonably withheld.

9. Termination of Administrative Agent's Security Interest. This Agreement is made for collateral security purposes only. Upon payment in full of all of the Secured Obligations, this Agreement shall terminate and Administrative Agent shall promptly execute and deliver to the Company, at the Company's expense, all termination statements and other instruments as may be necessary or proper to terminate Administrative Agent's security interest in the Trademarks and the Licenses, subject to any disposition thereof which may have been made by Administrative Agent pursuant to this Agreement or the Credit Agreement.

10. Duties of the Company. The Company shall have the duty, to the extent the Company deems it to be desirable in the normal conduct of the Company's business, to: (a) prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or thereafter until the termination of this Agreement, and (b) make application for trademarks or service marks. The Company further agrees (i) not to abandon any Trademark or License without the prior written consent of Administrative Agent and (ii) to use its best efforts to maintain in full force and effect the Trademarks and Licenses that are deemed by the Company to be necessary or economically desirable in the operation of the Company business. Any expenses incurred in connection with the foregoing shall be borne by the Company.

11. Administrative Agent's Right to Sue. From and after the time that the Administrative Agent has become entitled, as provided in Section 13.01 of the Credit Agreement, to exercise the rights and remedies hereunder, the Administrative Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and Licenses and, if Administrative Agent, for itself or on behalf of the Lenders,

shall commence any such suit, the Company shall, at the request of Administrative Agent, do any and all lawful acts and execute any and all proper documents required by Administrative Agent in aid of such enforcement. The Company shall, upon demand, promptly reimburse Administrative Agent for all reasonable costs and expenses incurred by Administrative Agent in the reasonable exercise of its rights under this Paragraph 11 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for Administrative Agent).

12. Waivers. The Administrative Agent's failure, at any time or times hereafter, to require strict performance by the Company of any provision of this Agreement shall not waive, affect or diminish any right of Administrative Agent thereafter to demand strict compliance and performance therewith nor shall any course of dealing between the Company and Administrative Agent have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of the Company contained in this Agreement shall be deemed to have been suspended or waived by Administrative Agent unless such suspension or waiver is in writing signed by an officer of Administrative Agent and directed to the Company specifying such suspension or waiver.

13. Administrative Agent's Exercise of Rights and Remedies. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that, from and after the time that the Administrative Agent has become entitled to exercise the rights and remedies hereunder, the Administrative Agent may, and upon the written direction of the Majority Lenders, shall exercise any of the rights and remedies provided in this Agreement, the Credit Agreement and any other Credit Documents.

14. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part hereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

15. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Paragraphs 4 and 6 hereof or by a writing signed by the parties hereto.

16. Cumulative Remedies; Power of Attorney. All of Administrative Agent's rights and remedies with respect to the Trademarks and the Licenses, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. From and after the time that the Administrative Agent has become entitled to exercise the rights and remedies hereunder and the giving of written notice by Administrative Agent to the Company of Administrative Agent's intention to enforce its rights and claims against the Company, the Company hereby irrevocably designates, constitutes and appoints Administrative Agent (and all Persons designated by Administrative Agent in its sole and absolute discretion) as the Company's true and lawful attorney-in-fact, and authorizes Administrative Agent and any of Administrative Agent's designees, in the Company's or Administrative Agent's name from and after the time that the Administrative Agent has become

entitled to exercise the rights and remedies hereunder to (a) endorse the Company's name on all applications, documents, papers and instruments necessary or desirable for Administrative Agent in the use of the Trademarks or the Licenses, (b) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks or the Licenses to anyone on commercially reasonable terms, (c) grant or issue any exclusive or nonexclusive license under the Trademarks or, to the extent permitted, under the Licenses, to anyone on commercially reasonable terms, and (d) take any other actions with respect to the Trademarks or the Licenses as the Administrative Agent deems reasonably necessary to facilitate the exercise of rights and remedies under the Credit Agreement. Administrative Agent shall take no action pursuant to subparagraphs (a), (b), (c) or (d) of this Paragraph 16 without taking like action with respect to the entire goodwill of the Company's business connected with the use of, and symbolized by, such Trademarks or Licenses. The Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof other than actions taken or omitted to be taken through the bad faith, willful misconduct or gross negligence of Administrative Agent. This power of attorney is coupled with an interest and shall be irrevocable until all of the Secured Obligations shall have been paid in full. The Company acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Administrative Agent or the Lenders under the Credit Agreement, but rather is intended to facilitate the exercise of such rights and remedies. Administrative Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks or the Licenses may be located or deemed located. Notwithstanding any provision hereof to the contrary, from and after the time that the Administrative Agent has become entitled to exercise the rights and remedies hereunder, the Company may sell goods and services bearing the Trademarks and trademarks covered by the Licenses in the ordinary course of its business and in a manner consistent with its past practices, until it receives written notice from Administrative Agent of an intended sale or disposition of the Collateral.

17. Successors and Assigns. This Agreement shall be binding upon the Company and its successors and assigns, and shall inure to the benefit of Administrative Agent and its successors and assigns. The Company successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession to the extent that any of the foregoing are considered to be a successor or assign of or for the Company; provided, however, that the Company shall not voluntarily assign or transfer its rights hereunder or its Secured Obligations without the Administrative Agent's prior written consent.

18. Governing Law and Jurisdiction.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO ITS CHOICE OF LAW PRINCIPLES (EXCEPT FOR NEW YORK GENERAL OBLIGATIONS LAW SECTIONS 5-1401 AND 5-1402); PROVIDED THAT THE ADMINISTRATIVE AGENT AND THE LENDERS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES LOCATED IN

THE BOROUGH OF MANHATTAN IN NEW YORK, NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE COMPANY AND THE ADMINISTRATIVE AGENT CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE COMPANY AND THE ADMINISTRATIVE AGENT IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE COMPANY AND THE ADMINISTRATIVE AGENT WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

19. Administrative Agent's Duty. Administrative Agent shall not have any duty with respect to the Trademarks or the Licenses except to the extent Administrative Agent has acquired ownership of the Trademarks or Licenses upon an exercise of its remedies hereunder. Administrative Agent shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks or the Licenses against any other parties, but may do so at its option, and all reasonable expenses incurred in connection therewith shall be for the sole account of the Company and added to the Secured Obligations secured hereby.

20. Paramourty. In the event of any conflict or inconsistency between the provisions of this Agreement and the Credit Agreement, the provisions of the Credit Agreement shall prevail.

21. Inter-Creditor Agreement. This Agreement is subject to the terms and conditions of the Inter-Creditor Agreement.

22. Credit Agreement. The Company hereby makes all declarations, representations, warranties and covenants set forth in the Credit Agreement to the extent applicable to it, mutatis mutandis.

23. Judgment Currency.

(a) If, for the purpose of obtaining or enforcing judgment against the Company in any court in any jurisdiction, it becomes necessary to convert into a particular currency (such currency being hereinafter in this Section 23 referred to as the "Judgment Currency") an amount due in another currency (such other currency being hereinafter referred to as the "Indebtedness Currency") under this agreement, the conversion shall be made at the rate of exchange prevailing on the Banking Day immediately preceding:

- (i) the date of actual payment of the amount due, in the case of any proceeding in the courts of any other jurisdiction that will give effect to such conversion being made on such date; or
- (ii) the date on which the judgment is given, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this subparagraph (a)(ii) being hereinafter in this Section 23 referred to as the "Judgment Conversion Date").

(b) If, in the case of any proceeding in the court of any jurisdiction referred to in subparagraph (a)(ii) of this Section 23, there is a change in the rate of exchange prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the Company agrees to pay to the Administrative Agent such additional amount (if any) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Indebtedness Currency which could have been purchased with the amount of the Judgment Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the Judgment Conversion Date.

(c) Any amount due from the Company under the provisions of subparagraph (b) of this Section 23 shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Agreement.

(d) The term "rate of exchange" in this Section 23 means the noon rate of exchange for Canadian interbank transactions applied in converting the Indebtedness Currency into the Judgment Currency published by the Bank of Canada for the day in question for Canadian interbank transactions.

24. Sending Notices. All Notices and other communications hereunder shall be in writing and shall be personally delivered to an officer or other responsible employee of the addressee or sent by telecopier, charges prepaid, if to the Company as follows:

Address: c/o Vincor International Inc.
441 Courtneypark Drive East
Mississauga, Ontario
L5G 2V3
Canada

Attention: Executive Vice-President and Chief Financial Officer

Telecopier No.: (905) 564-6914

and if to the Administrative Agent as follows:

Address: The Bank of Nova Scotia
Bank Finance -- Loan Syndications
44 King Street West
17th Floor
Toronto, Ontario
M5H 1H1
Canada

Attention: Managing Director

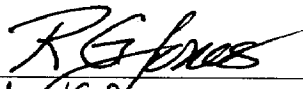
Telecopier: (416) 866-3329

or at or to such other address or addresses, or telecopier number or numbers, as any party hereto may from time to time designate to the other parties in such manner. Any communication which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Banking Day and such delivery was made prior to 4:00 p.m. (Toronto time); otherwise, it shall be deemed to have been validly and effectively given on the Banking Day next following such date of delivery. Any communication which is transmitted by telecopier shall be deemed to have been validly and effectively given on the date of transmission if such date is a Banking Day and such transmission was made prior to 4:00 p.m. (Toronto time); otherwise, it shall be deemed to have been validly given on the Banking Day next following such date of transmission.

25. Section Titles. The section titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.


IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement
as of the 17th day of December, 2000.


R.H. PHILLIPS, INC., a California Corporation

By: 
Name: Richard G. Jones
Title: Director

Accepted and agreed to as of the
17th day of December, 2000, by:

THE BANK OF NOVA SCOTIA, as Administrative Agent for the Lenders

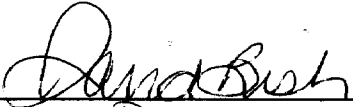
By: 
Name: GABRIEL WONG
Title: ASSOCIATE

By: 
Name: SEAN BUCHANAN
Title: DIRECTOR

DB Province Ontario)
STATE OF Ontario)
DB City Toronto) SS
COUNTY OF Toronto)

The foregoing Trademark Security Agreement was executed and acknowledged before me this 19th day of December, 2000, by Richard Jones, personally known to me to be ~~the~~ a director of R.H. Phillips, Inc., on behalf of such corporation.

(SEAL)



Notary Public David Bish

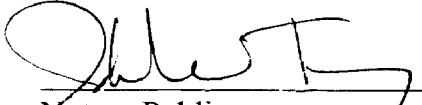
DB ~~County~~, Province of Ontario

My commission expires: _____

Part
PROVINCE
STATE OF ONTARIO)
CITY) SS
COUNTY OF TORONTO)

The foregoing Trademark Security Agreement was executed and acknowledged before me this 19th day of December, 2000, by Sean Bulech and Gabriel Leung, personally known to me to be the President and Director of THE BANK OF NOVA SCOTIA, on behalf of such corporation.

(SEAL)


Notary Public John W. Torrey
County, PROVINCE OF ONTARIO
My commission expires: _____