02-02-2001 U.S. Department of Commerce FORM PTO-1618A Patent and Trademark Office TRADEMARK OMB 0651-0027 101604340 1.24.01 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 Conveyance Type X **Assignment** License New (Non-Recordation) Resubmission **Security Agreement Nunc Pro Tunc Assignment** Document ID # **Effective Date** Month Day Year Merger **Correction of PTO Error** Reel # Frame # Change of Name **Corrective Document** Reel# Frame # Other Conveying Party Mark if additional names of conveying parties attached **Execution Date** Month Day Year Name | Glorion Corporation 8-7-2000 **Formerly** General Partnership Limited Partnership Corporation **Association** Individual Other New York Citizenship/State of Incorporation/Organization **Receiving Party** Mark if additional names of receiving parties attached Lebanon Chemical Corporation Name DBA/AKA/TA Composed of P.O. Box 180 Address (line 1) Address (line 2) 17042 Pennsylvania Zip Code Address (line 3) Lebanon If document to be recorded is an **Limited Partnership** assignment and the receiving party is General Partnership Individual not domiciled in the United States, an appointment of a domestic **Association** representative should be attached. Corporation

02/01/4001 DBYRNE 40.00 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 100.00 OP 01 FC: 481 rubilic burden reporting for this connection of information is estimated to average approximately so manufacts per cover of sections, missioning 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, got to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, got to consider the Cover Sheet. 02 FC:482 gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Uttice, Unier Information Officer, Washington, D.C. 20503. See OMB 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 Defermine Collection Project Residence Residence Affairs, Office of Management Residence Defermine Residence Res D.C. 2023) and to the Office of Importation and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See (Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

FOR OFFICE USE ONLY

Pennsylvania

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

Other

Citizenship/State of Incorporation/Organization

00000235 2254896

(Designation must be a separate document from Assignment.)

FORM PTO-1 Expires 06/30/99 OMB 0651-0027	1618B Page 2	U.S. Department of Commerce Patent and Trademark Office TRADEMARK				
	ic 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 610-478-2129						
Name [Heather M. Jagaczewski					
Address (line 1)	Stevens & Lee, P.C.					
Address (line 2)	111 North Sixth Street					
Address (line 3)	Reading, Pennsylvania 19601					
Address (line 4)						
Pages	Enter the total number of pages of the attached conveyance document including any attachments.	#				
Number of Fee Amoun Method o	Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for Registration Numbers for Registration Numbers for Registration Numbers for Properties Listed (37 CFR 3.41): \$ 140.00 ft Payment: Enclosed X Deposit Account	nber(s)				
	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.						
Andy P. Name	Berger, Esquire e of Person Signing Signature	Date Signed				

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT is made and entered into as of the 7th day of August, 2000 by and between GLORION CORPORATION, a New York corporation having a mailing address at 366 North Broadway, Jericho, New York 11753 ("Assignor"), and LEBANON CHEMICAL CORPORATION, a Pennsylvania corporation having a mailing address at 1600 Cumberland Street, Lebanon, Pennsylvania 17042 ("Assignee").

BACKGROUND

- A. Assignor and Assignee have entered into an Amended and Restated Agreement dated as of August 7, 2000 (the "Agreement") pursuant to which, among other things, Assignee has agreed to lend Assignor certain funds evidenced by (i) a Term Note dated October 31, 1999 in the aggregate principal amount of Five Hundred Three Thousand Two Hundred Forty-Nine Dollars and Twenty-Eight Cents (\$503,249.28) executed by Assignor in favor of Assignee (the "Term Note") and (ii) a 2000 Working Capital Note dated August 7, 2000 in the aggregate principal amount of Three Hundred Fifty-Five Thousand Nine Hundred Seventy Four and 34/100 Dollars (\$355,974.34) executed by Assignor in favor of Assignee (the "2000 Working Capital Note").
- B. The Agreement provides, as a condition thereof, that Assignor, in order to secure certain of its obligations thereunder and under the Term Note and the 2000 Working Capital Note shall, among other things, assign to Assignee, and grant to Assignee a lien on, and security interest in, all of Assignor's trademarks, service marks, tradenames and the goodwill associated therewith.
- C. Assignor hereby agrees to assign to Assignee, and grant to Assignee a lien on, and security interest in, all of Assignor's trademarks, service marks, tradenames and the goodwill associated therewith on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and intending to be legally bound hereby, the parties hereto each hereby agree as follows:

- 1. <u>Incorporation of Background; Defined Terms</u>. The Background provisions set forth above (including, but not limited to, the defined terms used therein) are hereby incorporated by reference into this Trademark Security Agreement and made a part hereof as if set forth in their entirety in this Section 1. Any capitalized terms used herein which are not otherwise defined, but which are defined in the Agreement, shall have the meanings given to those terms in the Agreement.
- 2. <u>Assignment of Marks</u>. To secure the complete and timely payment and satisfaction of all liabilities, obligations and indebtedness of Assignor to Assignee, whether now or hereafter owed, including, but not limited to, amounts owed by Assignor to Assignee under the Agreement, the Term Note and the 2000 Working Capital Note and any modifications, extensions, amendments and renewals thereof, as well as future advances made by Assignee to Assignor and future obligations of Assignor's customers to pay under Assignor's invoices rendered by Assignee

1

for products shipped by Assignee under the Agreement, as now existing or hereafter amended (collectively, "Assignor's Liabilities"), Assignor hereby grants, assigns and conveys to Assignee, and grants to Assignee a lien on, and security interest in, all of Assignor's trademark applications, trademarks (whether registered, unregistered or for which any application to register has been filed), service mark applications, service marks (whether registered, unregistered or for which any application to register has been filed) and tradenames, all of which are listed on Schedule A attached hereto (as the same may be modified and amended pursuant hereto from time to time), including, without limitation, all renewals thereof and all proceeds thereof (such as, by way of example, but not limited to, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights owned by Assignor corresponding thereto throughout the world (all of the foregoing are collectively referred to herein as the "Marks"), together with all Marks of Assignor which may be acquired, used or which may otherwise arise hereafter, which shall be deemed to be included in the "Marks" as used herein, as well as the goodwill of the business to which each of the Marks relates.

- 3. Representations and Warranties. Assignor covenants, represents, and warrants that: (a) Assignor is the sole and exclusive owner of the entire right, title and interest in each of the Marks, free and clear of any liens, pledges, assignments, claims or other encumbrances, subject only to existing licenses (if any) described on Schedule A; (b) Assignor has the unqualified right to enter into this Trademark Security Agreement and perform its terms; (c) the Marks are subsisting and have not been adjudged invalid or unenforceable; (d) each of the Marks is valid and enforceable, (e) no claim has been made that the use of any of the Marks does or may violate the rights of any third person; (f) Assignor has used, and will continue to use for the duration of this Trademark Security Agreement, proper statutory notice in connection with its use of the Marks; and (g) Assignor has used, and will continue to use for the duration of this Trademark Security Agreement, consistent standards of quality in its manufacture of products and delivery of services sold or provided under the Marks. Assignor shall, in any event, indemnify, defend and hold Assignee harmless from and against any and all losses, damages, costs and expenses, including legal costs and counsel fees, incurred by Assignee as the direct or indirect result of any action, claim or demand, whether or not groundless, alleging that any of the Marks infringe any trademarks held by, or other rights of, any third parties.
- Assignee may have under the Agreement, the Term Note, the 2000 Working Capital Note or the General Security Agreement dated as of August 7, 2000 and executed by Assignor in favor of Assignee (the "General Security Agreement"), Assignor hereby grants to Assignee and its employees and agents the right to visit Assignor's plants and facilities where products sold or services provided under any of the Marks are manufactured, inspected, stored, or provided, and to inspect and review the products and quality control records relating thereto at reasonable times. Assignor shall do any and all acts required by Assignee to ensure Assignor's compliance with Section 3(g) hereof.
- 5. <u>Right to Benefits</u>. If, before the Assignor's Liabilities shall have been irrevocably satisfied in full, Assignor shall become entitled to the benefit of any trademark or service mark registration, or any renewal or affidavit of any Mark, the provisions of Section 2 hereof shall immediately and automatically apply thereto.

- 6. <u>Future Marks</u>. Assignor authorizes Assignee to modify this Trademark Security Agreement by amending <u>Schedule A</u> to include any future trademarks, service marks or tradenames which are Marks under Sections 2 or 5 hereof. The security interest granted herein as to future Marks shall be valid and effective whether or not such <u>Schedule A</u> is amended. Nothing in this Agreement shall create an obligation on Assignee to amend such Schedule A.
- 7. Events of Default. The term "Event of Default", as used herein, shall mean (a) any Event of Default under and as defined in either the Agreement, the Term Note or the 2000 Working Capital Note, or (b) any violation by Assignor of any representation, warranty or covenant contained in this Trademark Security Agreement, provided that such violation shall continue for a period of fifteen (15) days after notice thereof from Assignee to Assignor.
- 8. <u>Assignor's Right to Use Marks</u>. Unless and until an Event of Default shall occur, Assignor shall retain the legal and equitable title to the Marks and shall have the right to use the Marks in the ordinary course of its business but shall not be permitted to sell, assign, transfer or otherwise encumber the Marks or any part thereof, provided, however, that nothing herein contained shall prohibit Assignor from failing to renew or otherwise abandoning any item included within the Marks if, in Assignor's reasonable judgment, the retention of such item is not material to the proper conduct of its business; provided, however, that Assignor shall give Assignee thirty (30) days' prior written notice of any abandonment of, or failure to renew, any item included within the Marks.
- Assignee's Rights As Secured Party. If any Event of Default shall have 9. occurred, Assignee shall have, in addition to all other rights and remedies provided to it by this Trademark Security Agreement, those 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 Marks may be located and, without limiting the generality of the foregoing, Assignee may immediately, without demand of performance and without advertisement, sell at public or private sale or otherwise realize upon, in Pennsylvania or elsewhere, the whole or from time to time any part of the Marks, the goodwill, and equipment associated therewith, or any interest which Assignor has therein, and after deducting from the proceeds of such sale or other disposition of the Marks all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds for the payment of the Assignor's Liabilities. Notice of any sale or other disposition of the Marks shall be given to Assignor at least five (5) calendar days before the time of any intended public or private sale or other disposition of the Marks is to be made, which Assignor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Assignee may, to the extent permissible under applicable law, purchase the whole or any part of the Marks sold, free from any right of redemption on the part of Assignor, which right is hereby waived and released.
- hereby authorizes and empowers Assignee to make, constitute and appoint any officer or agent of Assignee as Assignee may select in its exclusive discretion, as Assignor's true and lawful attorney-in-fact, with the power to endorse Assignor's name on all applications, documents, papers and instruments necessary for Assignee to use the Marks, or to grant or issue any exclusive or non-exclusive license under the Marks to any third person, or necessary for Assignee to assign, pledge, convey or otherwise transfer title in or dispose of the Marks, the goodwill and equipment

associated therewith, to any third person. Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable for the term of this Trademark Security Agreement.

- satisfy all of the Assignor's Liabilities, this Trademark Security Agreement shall terminate and Assignee shall execute and deliver to Assignor, at the sole cost and expense of Assignor, all deeds, assignments and other instruments as may be necessary or proper to re-vest in Assignor the full unencumbered title to the Marks, and the goodwill associated therewith, subject to any disposition thereof which may have been made by Assignee pursuant to the terms of this Trademark Security Agreement.
- 12. Fees and Expenses of Assignee. If an Event of Default shall have occurred, any and all fees, costs and expenses, of whatever kind or nature, including attorneys' fees and legal expenses, incurred by Assignee in connection with the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Marks, or in defending or prosecuting any actions or proceedings arising out of or related to the Marks, shall be borne and paid by Assignor on demand by Assignee, and until so paid shall be added to the principal amount of the Assignor's Liabilities and shall bear interest at the highest rate allowable under any of the promissory notes or other instruments evidencing any of the Assignor's Liabilities.
- protect and defend the Marks and shall institute such proceedings to enforce the Marks as it, in its reasonable business judgment, deems appropriate. If an Event of Default shall have occurred. Assignee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Marks, in which event Assignor shall, at the request of Assignee, do any and all lawful acts and execute any and all proper documents required by Assignee in aid of such enforcement, and Assignor shall promptly, upon demand, reimburse and indemnify Assignee for all costs and expenses incurred by Assignee in the exercise of its rights under this Section 13.
- 14. <u>No Waiver</u>. No course of dealing between Assignor and Assignee nor any failure to exercise, nor any delay in exercising, on the part of Assignee, any right, power or privilege hereunder or under the Agreement, the Term Note, the 2000 Working Capital Note or the General Security Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise or the exercise of any other right, power or privilege.
- 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 thereof, 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 Trademark Security Agreement in any jurisdiction.
- 16. <u>Manufacture and Sale</u>. The parties understand and agree that the collateral security assignment of the Marks as provided for in this Trademark Security Agreement, together with other collateral provided to Assignee pursuant to the General Security Agreement, will permit

Assignee, upon the occurrence of an Event of Default as provided herein, to make use of all rights to the Marks, the goodwill associated therewith and certain equipment and machinery, all of which will permit Assignee to manufacture and sell the products for which the use of the Marks is associated and maintain substantially the same product specifications and quality as maintained by Assignor.

- 17. <u>Amendment</u>. This Trademark Security Agreement is subject to modification only by a writing signed by the parties, except as provided in Section 6 hereof.
- 18. <u>Successors and Assigns</u>. The benefits and burdens of this Trademark Security Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of Assignor and Assignee.
- 19. <u>Governing Law</u>. The validity and interpretation of this Trademark Security Agreement and the rights and obligations of the parties hereunder shall be governed by the domestic internal laws (but not the law of conflicts of law) of the Commonwealth of Pennsylvania.
- 20. <u>Recording Permitted</u>. This Trademark Security Agreement, or any financing statements or security documents authorized or delivered pursuant hereto, or a memorandum or outline hereof or thereof, may be recorded in, or registered with, the United States Patent and Trademark Office and with any state or local agencies or offices that Assignee deems appropriate

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have executed this Trademark Security Agreement the day and year first above written.

GLORION CORPORATION

By: Thurse Sun

Name: Howard Browse R

LEBANON CHEMICAL CORPORATION

Name: Karrice de said

Title: Passine

5

SCHEDULE A

Trademark/ Service Mark Trade Name	Registration No. or Serial No. if an Application is Pending	Country	Registration Date or Filing Date if an Application is Pending	Renewal Date
GLORION design plus words	2254896	USA	2 June 1999	N/A
2. Weed Stop	1196097	USA	25 May 1982	N/A
3. Super Turf Grow	1760848	USA	30 March 1993	N/A
4. Super Turf Grow Plus	1760847	USA	30 March 1993	N/A
5. Amerigrow	1604225	USA	3 July 1990	N/A

6