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10-11-2001



Form PTO-1594 (Rev. 6-93)

RECORDED

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U.S. DEPARTMENT OF COMMERCE

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

1

101870995

Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original document or copy thereof

1. Name of conveying party(ies):
 Quali Tech, Inc. *10/04/01*

Individual(s) Association
 General Partnership Limited Partnership
 Corporation: State of Minnesota
 Other _____

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

2. Name and address of receiving party(ies):
 FBS Business Finance Corporation
 601 Second Avenue South
 Minneapolis, MN 55402

Individual(s) Association
 General Partnership Limited Partnership
 Corporation: State of Delaware
 Other _____

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other Correct the "Nature of Conveyance" to read
"Security Agreement" on previous recording dated March 24,
1994 - Reel/Frame 1126:047
 Execution Date: October 27, 1993

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)

4. Application number(s) or trademark number(s), and identification or description of the mark(s):

<p>A. Trademark Application No(s). and description</p>	<p>B. Trademark Registration No(s). and description</p> <table border="0"> <thead> <tr> <th style="text-align: left;">TRADEMARK</th> <th style="text-align: left;">REG. NO.</th> </tr> </thead> <tbody> <tr><td>FLAU-R-GRAIN</td><td>1,656,967</td></tr> <tr><td>AQUA-C</td><td>1,626,634</td></tr> <tr><td>CARBOMIN</td><td>1,524,068</td></tr> <tr><td>CARBOSAN</td><td>1,407,343</td></tr> <tr><td>CALF-LYTE</td><td>1,406,422</td></tr> <tr><td>FEEDBUDS</td><td>1,386,201</td></tr> <tr><td>QT QUALITECH & Design</td><td>1,389,654</td></tr> <tr><td>QT & Design</td><td>1,386,516</td></tr> <tr><td>QUALI-TECH</td><td>1,386,515</td></tr> <tr><td>PARKELP</td><td>1,230,118</td></tr> <tr><td>VET-TECH</td><td>1,167,962</td></tr> <tr><td>SEA-QUESTRA-MIN</td><td>915,162</td></tr> </tbody> </table>	TRADEMARK	REG. NO.	FLAU-R-GRAIN	1,656,967	AQUA-C	1,626,634	CARBOMIN	1,524,068	CARBOSAN	1,407,343	CALF-LYTE	1,406,422	FEEDBUDS	1,386,201	QT QUALITECH & Design	1,389,654	QT & Design	1,386,516	QUALI-TECH	1,386,515	PARKELP	1,230,118	VET-TECH	1,167,962	SEA-QUESTRA-MIN	915,162
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SEA-QUESTRA-MIN	915,162																										

5. Name and address of party to whom correspondence concerning document should be mailed:
 Walter C. Linder
 FAEGRE & BENSON LLP
 2200 Wells Fargo Center
 90 South Seventh Street
 Minneapolis, MN 55402-3901
 612/766-8801

6. Total number of applications and registrations involved: 40

7. Total fee (37 CFR 3.41) \$315.00

Enclosed via credit card
 Authorized to be charged to deposit account for underpayment

10/10/2001 LMUELLER 00000215 1656967

01 FC:481 40.00 OP
 02 FC:482 275.00 OP

DO NOT USE THIS SPACE

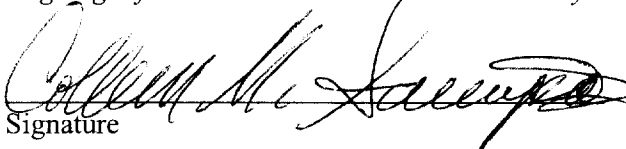
9. Statement and signature.

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

Colleen M. Sarenpa

Name of person signing

Signature



September 26, 2001

Date

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

**Mail documents to be recorded with required cover sheet information to:
Director – U.S. Patent and Trademark Office, Box Assignments
Washington, D.C. 20231**

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

110.0-44

335.00-48 20

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

<p>1. Name of conveying party(ies): QUALI TECH, INC.</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State <input type="checkbox"/> Other</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies): Name: FBS BUSINESS FINANCE CORPORATION</p> <p>Internal Address: _____</p> <p>Street Address: 601 Second Avenue South 55402-</p> <p>City: Minneapolis State: MN ZIP: 4302</p> <p><input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input checked="" type="checkbox"/> Corporation-State <input type="checkbox"/> Other</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Designations must be a separate document from Assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>3. Nature of conveyance:</p> <p><input checked="" type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other</p> <p>Execution Date: October 27, 1993</p>	

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

<p>A. Trademark Application No.(s)</p>	<p>B. Trademark registration No.</p> <table border="1"> <tr><td>1,406,422</td><td>1,386,654</td></tr> <tr><td>1,386,201</td><td>1,167,962</td></tr> <tr><td>1,386,516</td><td>1,567,945</td></tr> <tr><td>1,386,515</td><td>1,524,068</td></tr> <tr><td></td><td>915,162</td></tr> <tr><td></td><td>1,042,424</td></tr> </table> <p>Additional numbers attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	1,406,422	1,386,654	1,386,201	1,167,962	1,386,516	1,567,945	1,386,515	1,524,068		915,162		1,042,424
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	915,162												
	1,042,424												

<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: Federal Research Internal Address: Suite 612 North Building Street Address: 601 Pennsylvania Ave NW City: Washington State: DC ZIP: 20004</p>	<p>6. Total number of applications and registrations involved: 14</p> <p>7. Total fee (37 CFR 3.41): \$ 365.00 <input checked="" type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: _____ (Attach duplicate copy of this page if paying by deposit account)</p>
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DO NOT USE THIS SPACE

120 LP 03/30/94 1406422	0.481	40.00 CK
120 LP 03/30/94 1406422	0.482	325.00 CK

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.

Pamela J. Scheerer
Name of Person Signing

Pamela J. Scheerer
Signature

March 4, 1994
Date

89152493
Total number of pages comprising cover sheet: 17

QUALI.TRD/AMH/t

**TRADEMARK COLLATERAL ASSIGNMENT
AND
SECURITY AGREEMENT**

DATED AS OF OCTOBER 27, 1993

BETWEEN

FBS BUSINESS FINANCE CORPORATION

AND

QUALI TECH, INC.

TRADEMARK

REEL 1126 FRAME 048

TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS AGREEMENT, dated as of October 27, 1993, is entered into between FBS BUSINESS FINANCE CORPORATION, a Delaware corporation, having its principal office at 601 Second Avenue South, Minneapolis, Minnesota 55402-4302 (the "Lender"), and QUALI TECH, INC., a Minnesota corporation having its principal office at 318 Lake Hazeltine Drive, Chaska, Minnesota 55318 (the "Borrower").

RECITALS:

A. It is contemplated that the Lender shall make loans to the Borrower from time to time pursuant to a certain Credit and Security Agreement dated as of October 27, 1993 (as the same may be amended, modified or supplemented from time to time, the "Credit Agreement") between the Borrower and the Lender and that the Borrower may from time to time request further loans, advances or other financial accommodations from the Lender and that the Lender will, subject to certain conditions specified in the Credit Agreement, comply with any such request, in whole or in part.

B. Therefore, for and in consideration of any loan under the Credit Agreement and any other loan or advance (including any other loan or advance by renewal or extension) or other financial accommodation hereafter made or granted to the Borrower by the Lender and for other valuable consideration, the parties hereto agree as follows:

1. DEFINITIONS AND INTERPRETATION OF AGREEMENT. In addition to the terms defined elsewhere in this Agreement, the following terms shall have the meanings indicated for purposes of this Agreement (such meanings to be equally applicable to both the singular and plural forms of the terms defined. Terms not defined in this Agreement shall have the meanings set forth in the Credit Agreement):

"Agreement" means this Trademark Collateral Assignment and Security Agreement, as it may be amended, modified or supplemented from time to time.

"Affiliate" means any person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, the Lender, including, without limitation, First Bank National Association. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of stock, by contract or otherwise.

"Borrower" -- see Preamble.

"Collateral" shall have the meaning given such term in Section 2 hereof.

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"Credit Agreement" -- see Recitals.

"Default" means the occurrence of any of the following events: (i) an "Event of Default" under Article VII of the Credit Agreement; (ii) "Event of Default" under any Loan Document; (iii) failure to perform any agreement of the Borrower contained herein; or (iv) any warranty of the Borrower herein is untrue in any material respect.

"Default Rate" The rate of interest which is applicable to any amount thereof which is not paid when due under this Agreement, as determined pursuant to Supplement A to the Credit Agreement.

"Lender" -- see Preamble.

"Liabilities" All of the liabilities, obligations and indebtedness of the Borrower to the Lender, or any Affiliate, of any kind or nature, however created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing or due or to become due, and including, without limitation, (a) the Borrower's obligations under the Loan Documents, including obligations of performance, (b) the Borrower's obligations with respect to any letter of credit or any application, (c) interest, charges, expenses, attorneys' fees and other sums chargeable to the Borrower by the Lender under the Loan Documents, and (d) the Borrower's obligation under this Agreement, including obligation of performance. "Liabilities" shall also include any and all amendments, extensions, renewals, refundings or refinancings of any of the foregoing.

"Licenses" shall have the meaning given such term in Section 2 hereof.

"Loan Documents" shall have the same meaning as set forth in the Credit Agreement.

"Note" means any promissory note of the Borrower evidencing any loan or advance made by the Lender to the Borrower, as such promissory note may be amended, modified or supplemented from time to time.

"Trademarks" shall have the meaning given such term in Section 2 hereof.

A Section or a Schedule is, unless otherwise stated, a reference to a section hereof or a schedule hereto, as the case may be. Section captions used in this Agreement are for convenience only, and shall not affect the construction of this Agreement. The words "hereof," "herein," "hereto" and "hereunder" and words of similar purport when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise defined therein, all terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto.

2. GRANT OF SECURITY INTEREST. As security for the payment of all Liabilities, the Borrower hereby grants, bargains, assigns, mortgages, pledges, sells and creates a security interest in and transfers and conveys same to the Lender, its Affiliates, its successors, transferees and assigns, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale as hereinafter provided, to the extent permitted by law, with respect to all of the following property of the Borrower, whether now owned or existing or hereafter acquired or arising (collectively, the "Collateral"):

(a) trademarks, trade names, trade styles, registered trademarks, trademark registration applications, service marks, registered service marks and service mark registration applications, including, without limitation, the trademarks, registered trademarks, trademark registration applications, service marks, registered service marks and service mark registration applications listed on Schedule A (as it may be amended from time to time pursuant hereto), together with all renewals thereof (all of the foregoing hereinafter collectively referred to as "Trademarks" and individually referred to as a "Trademark");

(b) goodwill symbolized by and/or associated with any Trademark;

(c) customer lists and other records of the Borrower relating to the distribution of products bearing any Trademark;

(d) variations and likenesses of any Trademark;

(e) rights of the Borrower to sue for and recover damages for past, present or future infringements and dilutions of any Trademark, any and all common law and state trademark rights of the Borrower arising from or related to the Borrower's use of any Trademark and any and all other rights of the Borrower arising from or related to any Trademark;

(f) income, royalties and payments now and hereafter due and/or payable under or with respect to any Trademark, including without limitation, payments under each license agreement or sublicense agreement listed on Schedule B (as it may be amended from time to time pursuant hereto), together with all renewals and continuations thereof (all of the foregoing hereinafter collectively referred to as "Licenses" and individually referred to as a "License"), and any other rights under or interest in, any License, whether the Borrower is a licensee or licensor, and all interest of the Borrower in all guaranties and property securing the payment of any such amounts; and

(g) proceeds of any of the foregoing.

3. LICENSE BACK. Subject to the provisions of Sections 6 and 7, to the extent that this Agreement transfers current rights in and to the Trademarks or in connection with the business of the Borrower, the Lender hereby grants back to the Borrower an

exclusive, nontransferable, royalty-free license to use each of the Trademarks on or in connection with the business of the Borrower, for the Borrower's own account and for none other, together with the right to bring actions for trademark infringement of any of the Trademarks and the right to have any trademark application prosecuted by the attorney or agent of the Borrower's choice. The Borrower hereby agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to the Borrower in this Section 3 without the prior written consent of the Lender.

4. REPRESENTATIONS AND WARRANTIES. The Borrower represents and warrants that:

(a) the Trademarks listed on Schedule A include all of the United States trademarks, registered trademarks, trademark registration applications, service marks, registered service marks and service mark registration applications now owned by the Borrower;

(b) the Licenses listed on Schedule B include all of the trademark license agreements, trademark sublicense agreements, service mark license agreements and service mark sublicense agreements pursuant to which the Borrower is the licensee or licensor thereunder;

(c) each Trademark is subsisting and has not been adjudged invalid or unenforceable, and to the best of the Borrower's knowledge, each Trademark is valid and enforceable;

(d) no claim has been made that the use of any Trademark violates or may violate the rights of any third person, and no actions which challenge the validity or enforceability of any Trademark is pending before any court or administrative agency;

(e) no financing statement or assignment by the Borrower as assignor (other than any which may have been filed on behalf of the Lender) covering any of the Collateral is on file in any public office;

(f) the Borrower is and will be the lawful owner of all Collateral, free of all liens, claims and assignments whatsoever, other than security interests in favor of the Lender, with full power and authority to execute this Agreement and perform the Borrower's obligations hereunder, and to subject the Collateral to the security interest hereunder;

(g) all information with respect to the Collateral set forth in any report, certificate or other writing at any time heretofore or hereafter furnished by the Borrower to the Lender, and all other written information heretofore or hereafter furnished by the Borrower to the Lender, is and will be true and correct as of the date furnished; and

(h) if, prior to the termination of this Agreement, the Borrower shall obtain rights to any new trademarks, registered

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trademarks, trademark registration applications, service marks, registered service marks or service mark applications, or becomes entitled to the benefit of any trademarks, registered trademarks, trademark registration 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, the Borrower shall give the Lender written notice of such events and hereby authorizes the Lender to modify this Agreement by amending Schedules A and B and the provisions of this Section 4 shall automatically apply thereto.

5. AGREEMENTS OF THE BORROWER. Unless the Lender shall otherwise expressly consent in writing, the Borrower:

(a) will not (i) enter into any agreement, including, without limitation, any license agreement or sublicense agreement, which is inconsistent with this Agreement, (ii) 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 respect affect the validity or enforcement of the rights transferred to the Lender under this Agreement or the rights associated with the Trademarks or the Licenses, and (iii) sell or assign its interest in, or grant a license or sublicense under, the Trademarks or the Licenses;

(b) will, upon request of the Lender, execute such financing statements, collateral assignments and other documents (and pay the cost of filing or recording the same in all public offices deemed necessary by the Lender) and do such other acts and things, all as the Lender may from time to time request, to establish and maintain a valid collateral assignment of and security interest in the Collateral (free of all liens, claims, assignments and rights of third parties whatsoever other than the security interests of the Lender) to secure the payment of the Liabilities;

(c) will keep its records concerning the Collateral at its principal office, which records will be of such character as will enable the Lender or its designees to determine at any time the status thereof;

(d) will furnish the Lender not less than 20 days' prior written notice of any change in the Borrower's name or in the location of the Borrower's principal office;

(e) will furnish the Lender such reports and information concerning the Borrower and the Collateral as the Lender may from time to time reasonably request;

(f) will maintain the quality of the products covered by the Trademarks and the Licenses consistent with the quality maintained at the date of this Agreement and will not change the quality of such products and will permit the Lender and its agents or its designees, from time to time, to review the quality of the products covered by the Trademarks and the Licenses and the quality control records relating to such products, and to inspect, audit and make

copies of and extracts from all records and all other papers in the possession of the Borrower which pertain to the Collateral, and will, upon request of the Lender, deliver to the Lender all of such records and papers;

(g) will not lease, transfer, license, assign or otherwise dispose of, or create or permit to exist any lien on or security interest in, any Collateral to or in favor of anyone other than the Lender;

(h) in case of a Default, will reimburse the Lender upon demand for all reasonable costs and expenses, including reasonable fees of attorneys and paralegals for the Lender (who may be employees of the Lender) and reasonable legal expenses, incurred by the Lender in seeking to collect or enforce any rights under the Collateral and in seeking to collect each Note and all other Liabilities and to enforce the Lender's rights hereunder;

(i) will pay, when due, all taxes, assessments, governmental charges and other similar charges levied against any of the Collateral, except and so long as the Borrower is contesting such taxes, assessments or charges in good faith and by appropriate proceedings and the Borrower has set aside on its books such reserves or other appropriate provisions therefor as may be required by generally accepted accounting principles;

(j) will, so long as the Borrower determines that there is a reasonable commercial justification for doing so, maintain and preserve the registration of each of the Trademarks and all of its rights in each of the Trademarks and will continue to use the Trademarks on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain the Trademarks in full force free from any claim of abandonment for non-use;

(k) will not do and will not permit any licensee to do any act or knowingly omit to do any act whereby any Trademark or License may become invalidated;

(l) will comply with all provisions of any License and enforce its rights thereunder;

(m) will promptly notify the Lender after learning (i) that any application or registration relating to any Trademark may become abandoned or dedicated to the public, or (ii) of any adverse determination or development regarding the Borrower's ownership of any Trademark or its right to register any Trademark or to keep and maintain any Trademark;

(n) will promptly notify the Lender of any infringement, misappropriation or dilution of any Trademark by a third party of which the Borrower has knowledge, will promptly sue or take such other action to protect such Trademark from such infringement, misappropriation or dilution as the Borrower shall deem appropriate under the circumstances and will retain an experienced trademark

TRADEMARK

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attorney for the prosecution of all such proceedings;

(o) will promptly notify the Lender of the filing of an application for registration of any Trademark with the appropriate office or agency in any state or country or any political subdivision thereof; and

(p) will use proper statutory notice in connection with its use of the Trademarks.

The Borrower hereby further agrees that, anything herein to the contrary notwithstanding, it shall remain liable under each License with respect to any Trademark which has been assigned to the Lender hereunder for collateral purposes and obligated to observe and perform all the conditions and obligations to be observed and performed by the Borrower thereunder, all in accordance with the terms and provisions thereof. The Lender shall have no duty, responsibility, obligation or liability under any License by reason of this Agreement or the assignment to the Lender of any License for collateral purposes or the receipt by the Lender pursuant hereto of any payment relating to any License, nor shall the Lender be required or obligated in any manner to perform or fulfill any of the obligations of the Borrower under or pursuant to any License or to make any inquiry as to the nature or the sufficiency of any payment received by the Lender or the sufficiency of any performance by any party under any License or to present or file any claim or otherwise take any action to collect any amounts owing under or pursuant to any License or to enforce any other performance thereunder.

6. RIGHTS OF THE LENDER. The Lender may from time to time:

(a) at its option, after first requesting the Borrower to do so, perform any agreement of the Borrower hereunder which the Borrower shall fail to perform and take any other action which the Lender deems necessary for the maintenance or preservation of any of the Collateral or its interest therein, and the Borrower agrees to forthwith reimburse the Lender for all expenses of the Lender in connection with the foregoing, together with interest thereon from the date incurred until reimbursed by the Borrower at a rate per annum equal to the Default Rate set forth in Supplement A to the Credit Agreement; and

(b) whether before or after any of the Liabilities shall become due and payable, without notice to the Borrower, take all or any of the following actions: (i) retain or obtain a security interest in any property of anyone other than the Borrower, in addition to the Collateral, to secure any of the Liabilities, (ii) retain or obtain the primary or secondary liability of any party or parties, in addition to the Borrower with respect to any of the Liabilities, (iii) extend or renew for any period (whether or not longer than the original period) or exchange any of the Liabilities or release or compromise any obligation of any nature of any party with respect thereto, (iv) surrender, release or exchange all or any part of any property, in addition to the Collateral, securing

any of the Liabilities, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect to any such property and (v) resort to the Collateral for payment of any of the Liabilities whether or not it shall have resorted to any other property securing the Liabilities or shall have proceeded against any party primarily or secondarily liable on any of the Liabilities.

7. ROYALTIES. The Borrower hereby agrees that any rights granted hereunder to use by the Lender and its successors, transferees and assigns with respect to all Collateral as described above shall be worldwide and without liability for royalties or other related charges from the Lender to the Borrower.

8. DEFAULT AND REMEDIES. Whenever a Default shall be existing, (i) each Note and all other Liabilities may (notwithstanding any provisions thereof), at the option of the Lender, and without demand or notice of any kind, be declared, and shall become, due and payable pursuant to the terms of the Credit Agreement; (ii) the Lender may, from time to time, without demand or notice of any kind, appropriate and apply toward the payment of such of the Liabilities, and in such order of application, as the Lender may from time to time elect, any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or moneys of or in the name of the Borrower then or thereafter with the Lender; (iii) the Lender may terminate the Borrower's license under Section 3 to use the Trademarks; and (d) the Lender may exercise from time to time any rights and remedies available to it under applicable law.

Without limiting the foregoing, upon the occurrence of Default, the Lender may, to the fullest extent permitted by applicable law, without notice, hearing or process of law of any kind:

(a) use, license or, to the extent permitted by any applicable license, sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any Trademark throughout the world for such term or terms, on such conditions, and in such manner, as the Lender shall in its sole discretion determine, without compensation to the Borrower other than as required under the UCC;

(b) enforce against any licensee or sublicensee any and all rights and remedies of the Borrower in, to or under any License with respect to any Trademark;

(c) sell any or all of the Collateral, free of all rights and claims of the Borrower therein and thereto, at any public or private sale; and

(d) bid for and purchase any or all of such Collateral at any such public sale.

The Borrower expressly hereby waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Lender of any of its rights and remedies upon the occurrence of a Default. Any notification of intended disposition of any of the Collateral required by law shall be deemed reasonably and properly given if given at least ten days before such disposition. Any proceeds of any disposition by the Lender of any of the Collateral and any payments pursuant to or in respect of any License received by the Lender may be applied by the Lender to the payment of expenses in connection with the Collateral, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds shall be applied by the Lender toward the payment of such of the Liabilities, and in such order of application, as the Lender may from time to time elect.

In the event of the occurrence of a Default, the Borrower hereby authorizes and empowers the Lender to make, constitute and appoint any officer or agent of the Lender, as the Lender in its sole discretion may select, as the Borrower's true and lawful attorney-in-fact, with the power to endorse the Borrower's name on all applications, documents, papers and instruments necessary for the Lender to use any Trademark or License or to grant or issue any exclusive or nonexclusive license under any Trademarks to anyone else or necessary for the Lender to assign, pledge, convey or otherwise transfer title in or dispose of any Trademark to anyone else. This power of attorney is irrevocable and is coupled with an interest.

9. PROCEEDINGS TO ENFORCE OR PROTECT THE TRADEMARKS. The Borrower shall have the right to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect any Trademark, in which event the Lender may, if necessary, be joined as a nominal party to such proceedings or suit if the Lender shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. The Borrower shall indemnify and reimburse the Lender upon demand for all damages, costs and expenses, including reasonable fees of attorneys and paralegals for the Lender (who may be employees of the Lender) and reasonable legal expenses, incurred by the Lender as a result of such joinder. The Borrower shall promptly notify the Lender in writing of the institution of any such proceedings or lawsuit.

The Lender may, but shall not be obligated to, at any time whenever a Default shall be existing, bring suit in its own name to enforce any Trademark and/or any License, in which event the Borrower shall, upon request of the Lender, do any and all lawful acts and execute any and all proper documents required by the Lender in aid of such enforcement, and the Borrower shall indemnify and reimburse the Lender upon demand for all reasonable costs and expenses, including reasonable fees of attorneys and paralegals for the Lender (who may be employees of the Lender) and reasonable legal expenses, incurred by the Lender in the exercise of its rights under this Section 9. In any exercise by the Lender of such rights, the Lender shall have the right to join the Borrower as a

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nominal party plaintiff, if necessary.

10. CUSTODY AND PRESERVATION OF THE COLLATERAL. The Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if it takes such action for that purpose as the Borrower requests in writing, but failure of the Lender (other than any failure of the Lender constituting gross negligence or willful misconduct) to comply with any such request shall not of itself be deemed a failure to exercise reasonable care and no failure of the Lender (other than any failure of the Lender constituting gross negligence or willful misconduct) to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Borrower, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

11. NOTICES. Any notice from the Lender to the Borrower shall be given as required under and deemed effective pursuant to the terms of the Credit Agreement.

12. WAIVER AND AMENDMENTS. No failure or delay on the part of the Lender in the exercise of any power, right or remedy, and no course of dealing between the Borrower and the Lender, shall operate as a waiver of such power, right or remedy, nor shall any single or partial exercise of any power, right or remedy preclude other or further exercise thereof or the exercise of any other power, right or remedy. The remedies provided for herein are cumulative and not exclusive of any remedies which may be available to the Lender at law or in equity. No notice to or demand on the Borrower not required hereunder shall in any event entitle the Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Lender to any other or further action in any circumstances without notice or demand. Any waiver of any provision of this Agreement, and any consent to any departure by the Borrower from the terms of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which given. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed and delivered by the Lender.

13. TERMINATION OF AGREEMENT. This Agreement shall terminate immediately after the Credit Agreement shall have terminated and each Note issued thereunder and all Liabilities thereunder shall have been paid in full; provided, however, that such termination shall in no way affect, and this Agreement shall remain fully operative as to, any other transactions entered into or rights granted or Liabilities incurred prior to the receipt of such notice by the party to whom given, any and all Liabilities created or acquired thereafter pursuant to any previous commitments made by the Lender, any and all extensions or renewals of any of the foregoing, any and all interest on any of the foregoing, and any and all expenses incurred by the Lender in seeking to collect any

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of the foregoing and to collect or enforce any rights under the Collateral. Prior to such termination, this, Agreement shall be a continuing agreement in every respect.

14. EXPENSES. The Borrower agrees to pay the Lender upon demand for all fees, costs and expenses, of whatever kind or nature, including the reasonable fees of attorneys (who may be employees of the Lender) and reasonable legal expenses incurred by the Lender in connection with (i) the preparation, negotiation and execution of any and all amendments to this Agreement or any other document relating hereto, and (ii) the filing or recording of any documents in public offices. The Borrower also agrees to pay, and save the Lender harmless from all liability for, any stamp or other taxes which may be payable with respect to the execution, delivery or recording of this Agreement or any other document relating hereto. The Borrower's foregoing obligations shall survive any termination of this Agreement.

15. LAW. This Agreement shall be a contract made under and governed by the internal laws but not the law of conflicts of the State of Minnesota.

16. SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

17. SUCCESSORS AND ASSIGNS. Subject to the restrictions on assignment and the granting of participations by the Lender that are contained in the Credit Agreement, the rights and privileges of the Lender hereunder shall inure to the benefit of its successors and assigns.

18. WAIVER OF JURY TRIAL. THE BORROWER AND THE LENDER EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (i) UNDER THIS AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR (ii) ARISING FROM ANY LENDING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

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IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first above written.

QUALI TECH, INC.

By: Delbert L. Ploen
Title: President

Address: 318 Lake Hazeltine Drive
Chaska, MN 55318
Telecopier No.: _____

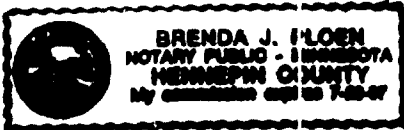
FBS BUSINESS FINANCE CORPORATION

By: Brian C. O'Neill
Title: V.P.

Address: 601 Second Avenue South,
Minneapolis, MN 55402-4302
Telecopier No.: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing Trademark Collateral Assignment and Security Agreement was acknowledged before me this 15th day of February, 1994, by Delbert L. Ploen, as President of Quali Tech, Inc., a Minnesota corporation, on behalf of said corporation.



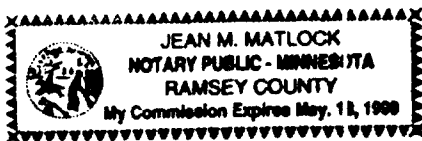
Brenda J Ploen
Notary Public

TRADEMARK

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STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing Trademark Collateral Assignment and Security Agreement was acknowledged before me this 3rd day of March, 1993, by Brian C. O'Neill, as Vice President of FBS Business Finance Corporation, a Delaware corporation, on behalf of said corporation.



Jean M Matlock
Notary Public

LIST OF SCHEDULES

SCHEDULE A - Schedule of Trademarks

SCHEDULE B - Schedule of Licenses

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TRADEMARK

SCHEDULE A
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT
BETWEEN
QUALI TECH, INC.
AND
FBS BUSINESS FINANCE CORPORATION

<u>Trademark Registration Number</u>	<u>Country</u>	<u>Goods Trademark Covered</u>	<u>Registration Date</u>	<u>Renewal Date</u>
1,406,422	U.S.	Calf-Lyte	08/26/86	08/26/06
1,386,201	U.S.	Feedbuds	03/11/86	03/11/06
1,386,516	U.S.	QT (Stylized)	03/18/86	03/18/06
1,386,515	U.S.	Quali-Tech	03/18/86	03/18/06
1,386,654	U.S.	Quali QT Tech & Design	04/15/86	04/15/06
1,167,962	U.S.	Vet-Tech	09/08/81	09/08/01
1,567,945	U.S.	Micro-Shield	11/28/89	11/28/99
1,524,068	U.S.	Carbomin	02/14/89	02/14/09
*565,853	U.S.	Parkelp & Design	10/28/52	
1,230,118	U.S.	Parkelp	03/08/83	03/08/03
1,626,634	U.S.	Aqua-C	12/11/90	12/11/00
1,656,967	U.S.	Flav-R- Grain	09/10/91	09/10/01
1,407,343	U.S.	Carbosan	09/02/86	09/02/06
1,042,424	U.S.	Yumbles	06/29/76	06/29/96
*677,404	U.S.	Sea Zun (Stylized)	04/21/59	
915,162	U.S.	Sea-Questra- Min	06/15/71	06/15/01
*1,469,893	U.S.	Orchard Fruit Mates	12/22/87	

*Abandoned

UNREGISTERED TRADEMARKS:

U.S. Flavor Islands
U.S. Flavor-ettes
U.S. Flavor Krisps

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TRADEMARK

SCHEDULE B
TO
TRADEMARK COLLATERAL AGREEMENT
AND SECURITY AGREEMENT
BETWEEN
QUALI TECH, INC.
AND
FBS BUSINESS FINANCE CORPORATION

<u>Name/Address</u>	<u>Description of Agreement</u>	<u>License Under Agreement</u>
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None

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TRADEMARK

RECORDED
PATENT & TRADEMARK OFFICE

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