

06-04-2002



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RE
TRADEMARK 102109884

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): 5-29-02
Cast Art Industries, Inc.
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State FL
 Other _____
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: MBI, Inc.
Internal Address: _____
Street Address: 47 Richards Avenue
City: Norwalk State: CT Zip: 06857
 Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State DE
 Other _____
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

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
Execution Date: May 23, 2002

4. Application number(s) or registration number(s):
A. Trademark Application No.(s) _____

B. Trademark Registration No.(s) 2,062,558;
2,017,563; 2,020,702; 1,998,120;
Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Michael P. Hammond, Jr., Esq.
Internal Address: Day, Berry & Howard LLP
24 th Floor
Street Address: CityPlace I
185 Asylum Street
City: Hartford State: CT Zip: 06103-3499

6. Total number of applications and registrations involved: 11
7. Total fee (37 CFR 3.41).....\$ 290.00
 Enclosed
 Authorized to be charged to deposit account
8. Deposit account number:
500546

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FINANCE SECTION

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9. Signature
MUELLER 00000128 500546 2062558
40.00 CH
250.00 CH
Michael P. Hammond, Jr.
Name of Person Signing

Michael P. Hammond, Jr.
Signature

May 23, 2002
Date

22

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

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

06/03/2002
01 FC:481
02 FC:482

SCHEDULE 1
TRADEMARK REGISTRATION NO.(S)
Continued

2,184,425

2,178,898

2,184,426

2,191,178

2,099,129

2,140,928

2,140,929

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT dated this 24th day of May, 2002 is made by CAST ART INDUSTRIES, INC., a Florida corporation, and CAST ART INDUSTRIES LLC, a Delaware limited liability company (each individually a "Grantor," and collectively, the "Grantors"), in favor of MBI, Inc., a Delaware corporation ("MBI" or the "Secured Party").

WITNESSETH:

WHEREAS, Grantors and MBI are parties to that certain Master License Agreement of even date herewith (the "License Agreement");

WHEREAS, it is a condition precedent to the obligation of MBI to make payment under the License Agreement that the Grantors grant a security interest in all of the Trademark Collateral (as defined below);

WHEREAS, MBI has been manufacturing, distributing and selling products identified by the "Dreamsicles" trademark and the other Trademark Collateral for several years pursuant to a license from Grantor in the channel of direct response marketing, and MBI has developed substantial goodwill in connection with such trademark; and

WHEREAS, MBI wishes and intends to continue to manufacture, distribute and sell products identified by the "Dreamsicles" trademark and the other Trademark Collateral pursuant to the License Agreement;

NOW, THEREFORE, in consideration of the premises and for One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in addition to, and not in limitation of, any rights of the Secured Party under the License Agreement, each of the Grantors hereby agrees, jointly and severally, for the benefit of the Secured Party, as follows:

1. DEFINITIONS; RULES OF INTERPRETATION.

1.1 For the purposes of this Agreement, the following terms shall have the following meanings. Capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings ascribed to them in the License Agreement. In addition, the following terms shall also have any meanings set forth elsewhere in this Security Agreement.

"Associated Goodwill" shall mean all goodwill of each of the Grantors or their businesses, products and services appurtenant to, associated with or symbolized by the Trademarks and/or the use thereof.

"Event of Default" shall have the meaning set forth in Section 8 hereof.

"Independent Appraiser" shall mean an independent third party entity or individual with at least five years' experience in the business of trademark or merchandise licensing, who shall be selected by Secured Party and reasonably acceptable to Grantors, such acceptance not to be unreasonably withheld, delayed or conditioned.

"Obligations" shall mean the obligations of the Grantors to pay damages to Secured Party pursuant to Section 14.1 of the License Agreement.

"Overage Amount" shall mean the amount, if any, by which the value (as determined by an Independent Appraiser) of the Trademark Collateral at such time exceeds the value of the Secured Party's secured claim at the time of a foreclosure upon the Trademark Collateral.

"Proceeds" shall mean any consideration received from the sale, exchange, license, lease or other transfer or disposition of any right, interest, asset or property which constitutes Trademark Collateral, any value received as a consequence of the ownership, possession, or use of any Trademark Collateral, and any payment received from any insurer or other person or entity as a result of the destruction, loss, theft or other involuntary conversion of whatever nature of any right, interest, asset or property which constitutes Trademark Collateral.

"PTO" shall mean the United States Patent and Trademark Office.

"Related Assets" shall mean all assets, rights and interests of each Grantor which uniquely reflect or embody the Associated Goodwill, including copyrights, trade secrets, confidential information, formulae, algorithms, methods, processes, compounds, know-how, operating systems, drawings, descriptions, formulations, manufacturing and production and delivery procedures, quality control procedures, product and service specifications, catalogs, price lists, and advertising materials, relating to the manufacture, production, delivery, provision, licensing and sale of goods or services under or in association with any of the Trademarks, and all books and records describing or used in connection with any or all of the foregoing.

"Security Agreement" shall mean this Trademark Security Agreement.

"Trademark Collateral" shall mean all of each Grantor's right, title and interest (to the extent each Grantor has any such right, title or interest) in and to all of the Trademarks, the Trademark Registrations, the Trademark Rights, the Associated Goodwill, the Related Assets, and all additions, improvements and accessions to, substitutions for, replacements of, and all products and Proceeds (including insurance proceeds) of any and all of the foregoing.

"Trademark Registrations" shall mean all past, present or future federal, state, local and foreign registrations of the Trademarks (and all renewals and extensions of such registrations), all past, present and future applications for any such registrations of the Trademarks (and any such registrations thereof upon approval of such applications), together with the right (but not the obligation) to apply for such registrations (and prosecute such applications) in the name of either Grantor or the Secured Party, and to take any and all actions necessary or appropriate to maintain such registrations in effect and/or renew and extend such registrations.

"Trademark Rights" shall mean any and all past, present or future rights in, to and associated with the Trademarks throughout the world, whether arising under federal law, state law, common law, foreign law or otherwise, including but not limited to the following: all such rights arising out of or associated with the Trademark Registrations; the right (but not the obligation) to register claims under any state, federal or foreign trademark law or regulation; the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of either Grantor or the Secured Party for any and all past, present and future infringements or dilution of or any other damages or injury to the Trademarks, the Trademark Registrations, or the Associated Goodwill, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, dilution, damage or injury.

"Trademarks" shall mean all of the trademarks, service marks, designs, logos, indicia, trade names, trade styles, elements of package or trade dress, and/or other source and/or product or service identifiers, and general intangibles of like nature, used or associated with or appurtenant to the products, services and business of each Grantor relating to the sale of goods and services based on the Licensed Properties or commonly known as "Dreamsicles," including, without limitation, (i) the Trademark Registrations which are set forth on Schedule A attached hereto, (ii) those that have been adopted, acquired, owned, held or used by either Grantor and are now owned, held or used by either Grantor, in either Grantor's businesses, or with either Grantor's products and services, or in which either Grantor has any right, title or interest, and (iii) those that are in the future adopted, acquired, owned, held and/or used by either Grantor in either Grantor's businesses or with either Grantor's products and services, or in which either Grantor in the future acquires any right, title or interest.

"Uniform Commercial Code" means the Uniform Code, as in effect in the relevant jurisdictions, as amended from time to time.

"Use" of any Trademark shall include all uses of such Trademark by, for or in connection with either Grantor or their respective businesses or for the direct or indirect benefit of either Grantor or their businesses, including but not limited to all such uses by either of the Grantors themselves, by any of the affiliates of either Grantor, or by any licensee or contractor of either Grantor.

1.2 **UCC Terms.** Unless otherwise defined herein, the terms used in Article 9 of the Uniform Commercial Code are used herein as therein defined.

2. GRANT OF SECURITY; COLLATERAL ASSIGNMENT.

2.1 **Grant of Security Interest.** As collateral security to secure the Obligations, each Grantor hereby unconditionally grants to the Secured Party a continuing security interest in and first priority lien on the Trademark Collateral, and pledges, mortgages and hypothecates (but does not transfer title to) the Trademark Collateral to the Secured Party.

2.2 Collateral Assignment.

- (a) In addition to, and not by way of limitation of, the grant, pledge, mortgage and hypothecation of the Trademark Collateral provided in Section 2.1, each Grantor hereby grants, assigns, transfers, conveys and sets over to the Secured Party its entire right, title and interest in and to the Trademark Collateral; provided, however, that such grant, assignment, transfer and conveyance shall be and become of force and effect only upon the assignment, sale, license, transfer or other disposition of or foreclosure upon the Trademark Collateral pursuant to Article 9 of the Uniform Commercial Code (including the transfer or other disposition of the Collateral by either Grantor to the Secured Party in lieu of foreclosure). The foregoing grant, assignment, transfer and conveyance shall be referred to from time to time herein as the "Section 2.2 Assignment."
- (b) In no event shall this Security Agreement, the Section 2.2 Assignment of the Trademark Collateral hereunder, or the recordation of this Security Agreement (or any document hereunder) with the PTO, adversely affect or impair, in any way or to any extent, the License Agreement or the attachment and perfection of such security interest under the Uniform Commercial Code.

2.3 Effect of Section 2.2 Assignment. Upon the effectiveness of the Section 2.2 Assignment, the Secured Party shall own the entire right, title and interest in and to the Trademark Collateral, free and clear of any lien, charge, encumbrance or claim of either Grantor or any other party (except for licenses and rights that may be granted pursuant to Section 2.6 of this Agreement or in the ordinary course of business in a manner not to conflict with the License Agreement and except for the subordinate rights of PNC Bank, for itself and as agent ("PNC"), or any of their successors and assigns, under any subordination or similar agreement between Secured Party and any such party). Upon such effectiveness, in addition to all other rights and remedies of the Secured Party, whether under law or otherwise (all such rights and remedies being cumulative, not exclusive, and enforceable alternatively, successively or concurrently, without notice to or consent by either Grantor except as expressly provided otherwise herein), the Secured Party's rights and remedies with respect to the Trademark Collateral, shall include but not be limited to the following, without payment of royalty or compensation of any kind to either Grantor except as expressly provided otherwise herein:

- (a) the Secured Party may exercise, in respect of the Trademark Collateral, all the rights and remedies of a secured party upon default under the Uniform Commercial Code (whether or not such Code applies to the affected Trademark Collateral) or other law applicable to any part of the Trademark Collateral;
- (b) the Secured Party may use the Trademark Collateral for all purposes for which such Trademark Collateral is registered at the PTO; and
- (c) the Secured Party may, to the same extent that either Grantor has the right to do so immediately prior to the effectiveness of the Section 2.2 Assignment, license or

sublicense, whether general, special or otherwise and whether on an exclusive or nonexclusive basis, any of the Trademark Collateral, throughout the world for such term or terms, on such conditions, and in such manner, as the Secured Party shall in its sole discretion determine.

2.4 Instruments of Assignment. In addition to the foregoing, in order to implement the assignment, sale, transfer or other disposition of any of the Trademark Collateral pursuant to Section 2.3 hereof, the Secured Party may, pursuant to the authority granted in the power of attorney provided in Section 6 hereof (such authority becoming effective upon the occurrence and during the continuation of an Event of Default), execute and deliver on behalf of each of the Grantors one or more instruments of assignment of the Trademark Collateral, in form suitable for filing, recording or registration in any jurisdiction or country.

2.5 Effect of Section 2.2 Assignment - Grantors' Obligations.

- (a) Upon the effectiveness of the Section 2.2 Assignment provided herein, but subject to any licenses granted pursuant to Section 2.6, neither Grantor shall have any right, title or interest in or to any of the Trademark Collateral, and each Grantor shall immediately cease and desist in the use of the Trademarks or any colorable imitation thereof. This provision is not intended to terminate any licenses and rights theretofore granted by either Grantor in accordance with and as permitted by the terms of this Security Agreement.
- (b) In addition, upon the effectiveness of the Section 2.2 Assignment provided herein, upon the written demand of the Secured Party, each Grantor shall execute and deliver to the Secured Party an assignment or assignments of the Trademark Collateral and such other documents as are necessary or appropriate to carry out the intent and purposes of this Security Agreement; provided that the failure of either Grantor to comply with such demand will not impair or affect the validity of the Section 2.2 Assignment. Each of the parties agrees that any such assignment (including a Section 2.2 Assignment) and/or any recording thereof shall satisfy all obligations outstanding to the Secured Party hereunder and under the License Agreement in full.

2.6 Restoration of Overage Amount or License Rights. Grantors acknowledge that, pursuant to the Uniform Commercial Code, Secured Party shall have the right to cause the sale of the Trademark Collateral by public or private sale or to foreclose upon the Trademark Collateral. In the event Secured Party elects to pursue any remedy that would cause the Grantors to lose their rights to the Trademark Collateral, including without limitation public or private sale or foreclosure upon the Trademark Collateral, then Grantors, in their sole discretion, may require Secured Party either (a) to cause the Trademark Collateral to be valued by an Independent Appraiser or (b) to grant to Grantors (or their designee) an irrevocable, worldwide, perpetual, transferable (subject only to Section 26 of the License Agreement), fully-paid up right and license to use the Trademarks on or in association with Licensed Properties and in all advertising and promotional material and packaging associated therewith, including without limitation the right to use the Trademarks in the design, manufacture, marketing, advertising, distribution, use

and sale of goods and services, provided only that such rights shall exclude any right to market, advertise, distribute, use or sell goods or services by Direct Response Marketing (as defined in the License Agreement). Such license to Grantors (or their designee) shall include the rights to license or sublicense, whether general, special or otherwise and whether on an exclusive or nonexclusive basis, provided that each licensee or sublicensee shall be bound in writing to terms and conditions that are at least as protective of the Secured Party's rights in the Trademarks and the Licensed Properties as the terms and conditions of the license agreement to Grantors and that are no broader than the licenses granted to Grantors thereunder. Grantors shall give Secured Party notice of their election to seek a valuation within thirty (30) days of notice of Secured Party's intention to seek a public or private sale or foreclosure, or they shall be deemed to have elected to cause Secured Party to license the rights to the Trademark Collateral as set forth in clause (b) of this Section. If Grantors elect to have the Trademark Collateral valued, then Secured Party shall identify the Independent Appraiser by notice to Grantors within thirty (30) days after notice of election by Grantors. Upon completion of such valuation, Secured Party shall promptly pay the Overage Amount to Grantors, who shall apportion the proceeds, if any, among themselves. If the Secured Party is required to grant a license to the Trademark Collateral, then the Secured Party and Grantors (or their designee) shall promptly negotiate and document an appropriate license agreement on terms substantially similar to those set forth in the License Agreement.

2.7 No Obligations of the Secured Party. Except as provided in Section 2.6 with respect to any foreclosure hereunder and repayment of the Overage Amount by the Secured Party or license of the Trademark rights to Grantors (or their designee), as the case may be, nothing herein contained shall be construed as obligating the Secured Party to take any of the foregoing actions at any time.

3. **REPRESENTATIONS AND WARRANTIES.** Each Grantor represents and warrants to, and covenants and agrees with, the Secured Party, as follows:

3.1 Schedules of Trademarks. Set forth on Schedule A hereto is a true and complete list of the Trademark Registrations of each Grantor. All other agreements applicable to the Trademarks are the valid and binding obligations of all of the parties thereto, enforceable against each of such parties in accordance with their respective terms (provided that, with respect to any such parties other than the Grantors and their affiliates, such representation and warranty is made to the best of each of the Grantors' knowledge and belief).

3.2 Title. Each of the Grantors is and, to the extent deemed necessary or appropriate by each Grantor in its reasonable business judgment, will continue to be the sole and exclusive owner of the entire legal and beneficial right, title and interest in and to the Trademarks (except for licenses and rights granted in the ordinary course of business and subject to the limitations of the License Agreement) and sufficient Trademark Collateral to preserve its rights in the Trademarks, free and clear of any lien, charge, security interest or other encumbrance, except for (a) the security interest and conditional assignment created by this Security Agreement, (b) licenses and rights granted in the ordinary course of business that do not conflict with the License Agreement and (c) the subordinate liens and security interests in the Trademark Collateral in favor of PNC,

any person or persons which may subsequently provide refinancing of any indebtedness owed by any Grantor to PNC, or any other person who expressly acknowledges the first priority interests of Secured Party in the Trademark Collateral. To the extent deemed necessary or appropriate by each Grantor in its reasonable business judgment, each Grantor will defend its right, title and interests in and to the Trademarks and the Trademark Collateral against any and all claims of any third parties.

3.3 Validity and Enforceability. The Trademarks and the Trademark Registrations and Trademark Rights related thereto are subsisting, and have not been adjudged invalid or unenforceable; to the best of each Grantor's knowledge and belief, all of the Trademarks and the Trademark Registrations and Trademark Rights related thereto are valid and enforceable; neither Grantor has received any written claim by any third party that any of the Trademarks and the Trademark Registrations and Trademark Rights related thereto are invalid or unenforceable.

3.4 Exclusive Right to Use. To the best of each Grantor's knowledge and belief, the Grantors have, and shall continue to have, the exclusive right to use all the Trademarks in the manner in which they are now used, with the goods and services with which they are now used (and, in the case of registered Trademarks, for which they are registered), and throughout the geographic areas in which they are now used (and, in the case of registered Trademarks, throughout the jurisdictions in which they are registered), free and clear of any liens, charges, encumbrances, claims or rights of any third party (other than Secured Party, and other than licenses and rights granted in the ordinary course of business that do not conflict with the License Agreement and the subordinate rights of PNC, and any person or persons which may subsequently provide refinancing of any indebtedness owed by any Grantor to PNC, or any other person who expressly acknowledges the first priority interests of Secured Party in the Trademark Collateral), or restrictions on the rights of each Grantor to protect or enforce any of its Trademark Rights against any third party.

3.5 No Financing Statements, etc. Other than any of the following in favor of the Secured Party, and of PNC, which shall be subordinated to the rights of the Secured Party, there is not on file in any governmental or regulatory authority, agency or recording office, in the United States or to either Grantor's knowledge in any foreign country, any effective financing statement, security agreement, assignment, license or transfer or notice of any of the foregoing covering any of the Trademark Collateral, and neither Grantor is aware of any such filing, other than those for which duly executed termination statements have been or will be delivered to the Secured Party. So long as this Security Agreement shall be in effect, neither Grantor shall execute or knowingly permit to be on file in any such office or agency any such financing statement or other document or instrument (except financing statements or other documents or instruments filed or to be filed in favor of the Secured Party, PNC, and any person or persons which may subsequently provide refinancing of any indebtedness owed by any Grantor to PNC, and related lenders, or any other person who expressly acknowledges the prior interests of Secured Party in the Trademark Collateral).

3.6 After-Acquired Trademark Collateral. Each Grantor agrees that, upon its commencement of Use of or acquisition of any right, title or interest in or to any Trademark, Trademark Registration or Trademark Right (including any variations or new versions of such scheduled

Trademarks, Trademark Registrations and Trademark Rights), or upon commencement of Use of any Trademark with (or the addition to any Trademark Registration of) any new class of goods or services, the provisions of this Security Agreement shall automatically apply thereto. The Secured Party shall be authorized to amend Schedule A as appropriate, to include additional Trademark Registrations without the necessity for either Grantor's approval of or signature to such amendment, and each Grantor shall do all such other acts (at its own expense) deemed necessary or appropriate by the Secured Party to implement and preserve the Secured Party's interest therein (including but not limited to executing and delivering, and recording in all places where this Security Agreement or notice hereof is recorded, an appropriate counterpart of this Security Agreement). Any additional Trademarks, Trademark Registrations and Trademark Rights shall be automatically included in the "Trademarks," "Trademark Registrations" and "Trademark Rights" as defined herein. Upon the registration of any such new Trademark, each of the Grantors shall provide to the Secured Party a new Schedule A which shall amend, supplement or otherwise modify and update the prior Schedule to the then current date, and such updated Schedule A shall automatically be deemed to be a part of this Security Agreement.

4. **RIGHTS OF AND LIMITATIONS ON THE SECURED PARTY.** It is expressly agreed that, prior to a Section 2.2 Assignment, public or private sale or foreclosure with respect to the Trademark Collateral (a) each Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it relating to the Trademark Collateral, (b) the Secured Party shall not have any contractual obligation or liability under or in relation to the Trademark Collateral by reason of, or arising out of, this Security Agreement and the Secured Party's rights hereunder, or the collateral assignment by each of the Grantors to the Secured Party of, nor shall the Secured Party be required or obligated in any manner to perform or fulfill any of the obligations of either Grantor relating to the Trademark Collateral (other than continuing obligations with respect to licenses and rights granted in the ordinary course of business that do not conflict with the License Agreement) or be liable to any party on account of either Grantor's use of the Trademark Collateral.

5. **PRESERVATION OF TRADEMARK COLLATERAL; COOPERATION OF THE GRANTORS.** Each Grantor agrees to preserve the Trademark Collateral and cooperate with Secured Party with respect to the preservation of such Trademark Collateral to the extent required by the License Agreement.

6. **THE SECURED PARTY'S APPOINTMENT AS ATTORNEY-IN-FACT.**

6.1 Appointment of the Secured Party. Each Grantor hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Grantor and in the name of the Grantor or in its own name, from time to time in the Secured Party's discretion for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Security Agreement and, without limiting the generality of the foregoing, hereby gives the Secured Party the power and right, on behalf of the Grantor, without notice to or assent by the Grantor, to do the following:

- (a) to file any affidavits or other documents necessary or desirable to preserve, maintain or renew any recording or registration of any Trademark Collateral;
- (b) upon and during the continuance of an Event of Default, to assign, sell or otherwise dispose of all or any part of the Grantor's right, title and interest in and to the Trademark Collateral, including without limitation the Trademarks listed on Schedule A, and all registrations and recordings thereof and pending applications therefor, provided that the Secured Party will give the Grantor not less than thirty (30) days' prior written notice of the time and place of any sale or intended disposition thereof;
- (c) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to enforce any right in respect of any Trademark; to defend any suit, action or proceeding brought against the Grantor with respect to any Trademark Collateral; to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Secured Party may, in its reasonable discretion, deem appropriate; the costs of each of the foregoing to be shared equally by the Grantors and the Secured Party;
- (d) upon and during the continuance of an Event of Default, to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Trademarks as fully and completely as though the Secured Party were the absolute owner thereof for all purposes provided that the Secured Party will give the Grantor not less than thirty (30) days' prior written notice of the time and place of any sale or intended disposition thereof;
- (e) to do, at the Secured Party's option, at any time or from time to time, all acts and things that the Secured Party reasonably deems necessary to perfect, protect, preserve or realize upon the Trademark Collateral and the Secured Party's security interests therein, in order to effect the intent of this Security Agreement, including without limitation the filing of one or more financing statements and continuation statements in applicable jurisdictions and the filing of recordations and notices with the U.S. Patent and Trademark Office; the costs of the foregoing to be shared equally by the Grantors and the Secured Party; and
- (f) to execute any and all documents, statements, certificates or other writings necessary or advisable in order to effect the purposes described above as the Secured Party may in its reasonable discretion determine.

Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

6.2 No Duty or Obligation. The powers conferred on the Secured Party hereunder are solely to protect the interests of the Secured Party in the Trademark Collateral and shall not impose any duty upon the Secured Party to exercise any such powers. The Secured Party shall be

accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to either of the Grantors for any act or failure to act, except for its own gross negligence or willful misconduct.

7. PERFORMANCE BY THE SECURED PARTY OF THE GRANTORS' OBLIGATIONS, INDEMNIFICATION.

7.1 The Secured Party's Actions. If either Grantor shall fail to perform or comply with any of their agreements contained herein and the Secured Party, as provided for by the terms of this Security Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the reasonable expenses of the Secured Party incurred in connection with such performance or compliance shall be paid by either of the Grantors on demand.

7.2 Indemnification. Each Grantor shall indemnify and hold harmless the Secured Party from and against, and shall pay to the Secured Party on demand, any and all claims, actions, suits, judgments, penalties, losses, damages, costs, disbursements, expenses, obligations or liabilities of any kind or nature (except those resulting from the Secured Party's actions or omissions) arising in any way out of or in connection with the failure or omission of either Grantor to perform or observe any of the provisions hereof. Neither Grantor shall make any claim against the Secured Party for or in connection with the exercise or enforcement by the Secured Party of any right or remedy granted to it hereunder, or any action taken or omitted to be taken by the Secured Party hereunder (except for the gross negligence or willful misconduct of the Secured Party).

8. EVENTS OF DEFAULT. The occurrence of any of the following shall constitute an Event of Default:

- (a) The material default of either Grantor in the due performance or observance of any material covenant, condition or provision to be performed or observed by it hereunder, and which default is not cured within thirty (30) days of either Grantor's actual written notice thereof; or
- (b) The occurrence of an Event of Default under the License Agreement.

9. REMEDIES, RIGHTS UPON DEFAULT. If an Event of Default occurs and is continuing:

- (a) Except as may otherwise be expressly provided herein, the Secured Party may exercise for the benefit of the Secured Party, in addition to all other rights and remedies granted in the License Agreement and in this Security Agreement, all rights and remedies of a secured party under the Uniform Commercial Code.
- (b) Except as may otherwise be expressly provided herein, and to the extent that it may lawfully do so, each Grantor agrees that it will not at any time insist upon,

plead or in any manner whatsoever claim or take the benefit or of any appraisal, valuation, stay, extension or redemption laws, or any law permitting it to direct the order in which the Trademarks or any part thereof shall be sold, now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance or enforcement of this Security Agreement and hereby expressly waives all benefit or advantage of any such laws and covenants that it will not hinder, delay or impede the execution of any power granted or delegated to the Secured Party in this Security Agreement, but will suffer and permit the execution of every such power as though no such laws were in force.

- (c) Except as may otherwise be expressly provided herein or in the License Agreement, each Grantor shall be responsible for any and all reasonable expenses, including reasonable attorneys' fees and expenses, incurred or paid by the Secured Party in protecting or enforcing any rights of the Secured Party hereunder. The Secured Party shall also have the right to pay all other sums reasonably deemed necessary or desirable by it for the preservation and protection of the Trademarks, or for the realization thereupon, including taxes, insurance, application and renewal fees, and any other fees or costs.

10. NOTICES. Except as otherwise specified herein, all notices, requests, demands or other communications to or on either Grantor or the Secured Party shall be in writing (including teletransmissions), and shall be given or made as provided in the License Agreement.

11. SEVERABILITY. Any provision herein that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. NO WAIVER OF RIGHTS. No failure to exercise nor any delay in exercising, on the part of the Secured Party, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege operate as a waiver of any further or complete exercise thereof. No waiver shall be effective unless in writing. No waiver or condonation of any breach on one occasion shall be deemed a waiver or condonation on any other occasion.

13. CUMULATIVE REMEDIES. This Security Agreement and the obligations of each of the Grantors hereunder are in addition to and not in substitution for any other obligations or security interests now or hereafter held by the Secured Party and shall not operate as a merger of any contract or debt or suspend the fulfillment of or affect the rights, remedies, powers, or privileges of the Secured Party in respect of any obligation or other security interest held by it for the fulfillment thereof. The rights and remedies provided hereunder are cumulative and not exclusive of any other rights or remedies provided by law or under the License Agreement.

14. SPECIFIC ENFORCEMENT. Due to the unique nature of the Trademark Collateral, and in order to preserve its value, each of the Grantors agrees that the Grantors' agreements, duties

and obligations under this Security Agreement shall be subject to specific enforcement and other appropriate equitable orders and remedies.

15. **SUCCESSORS.** This Security Agreement shall be binding upon and inure to the benefit of the Grantors, the Secured Party and their respective successors and assigns.

16. **GOVERNING LAW.** This Security Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware without reference to its choice or conflict of laws, rules or principles.

17. **COUNTERPARTS.** This Security Agreement may be executed by one or more of the parties on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

18. **DESCRIPTIVE HEADINGS.** The captions in this Security Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

19. **WAIVER OF TRIAL BY JURY. THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS AGREEMENT AND THE LICENSE AGREEMENT, OR AS TO THE VALIDITY, PROTECTION, INTERPRETATION, ADMINISTRATION, COLLECTION OR ENFORCEMENT HEREOF OR THEREOF OR PURSUANT TO THE LICENSE AGREEMENT, OR ANY OTHER CLAIM OR DISPUTE HOWSOEVER ARISING BETWEEN GRANTORS AND THE SECURED PARTY.**

20. **SUBMISSION TO JURISDICTION; WAIVERS. THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY: (A) SUBMIT FOR THEMSELVES AND THEIR PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS SECURITY AGREEMENT AND THE LICENSE AGREEMENT AND ANY OTHER AGREEMENTS TO WHICH THEY ARE PARTIES, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE NONEXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF CONNECTICUT, THE COURTS OF THE UNITED STATES OF AMERICA FOR THE DISTRICT OF CONNECTICUT, AND APPELLATE COURTS FROM ANY THEREOF; AND (B) CONSENT THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND WAIVE ANY OBJECTION THAT THEY MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREE NOT TO PLEAD OR CLAIM THE SAME.**

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each Grantor has caused this Security Agreement to be executed by its duly authorized officer as of the date first written above.

CAST ART INDUSTRIES, INC.

CAST ART INDUSTRIES, LLC

Signature _____

Signature _____

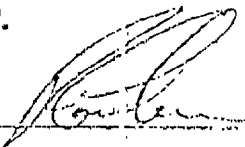
Name _____

Name _____

Title _____

Title _____

MBI, INC.

Signature  _____

Name Russell Friedman

Title CEO

STATE OF CONNECTICUT)
) ss. *[Signature]*
 COUNTY OF FAIRFIELD)

On this the 23rd day of May, 2002, before me, the undersigned officer, *Russell M. Friedman*, personally appeared and acknowledged himself to be the *Chief Financial Officer* of MBI, Inc., a Delaware corporation, and as such officer and being authorized so to do, executed the foregoing instrument for the purposes therein contained as his free act and deed and the free act and deed of the corporation by signing the name of the corporation by himself as such officer.

In Witness Whereof I hereunto set my hand.

[Signature]
 Notary Public
 My Commission Expires: *July 31, 2006*

IN WITNESS WHEREOF, each Grantor has caused this Security Agreement to be executed by its duly authorized officer as of the date first written above.

CAST ART INDUSTRIES, LLC.

Signature

Name

Scott Sherman

Title

Chairman

STATE OF California)
) ss.
COUNTY OF Riverside)

On this the 24th day of May, 2002, before me, the undersigned officer, Sharon Fletcher, personally appeared and acknowledged himself to be the Scott Sherman of Cast Art Industries, LLC, a Delaware limited liability company, and as such officer and being authorized so to do, executed the foregoing instrument for the purposes therein contained as his free act and deed and the free act and deed of the corporation by signing the name of the corporation by himself as such officer.

In Witness Whereof I hereunto set my hand.

Notary Public
My Commission Expires: August 19, 2002



CAST ART INDUSTRIES, INC.

Signature _____



Name

Scott Sherman

Title

Chairman

STATE OF California)
) ss.
COUNTY OF Riverside)

On this the 24th day of May, 2002, before me, the undersigned officer, Sharon Fletcher, personally appeared and acknowledged himself to be the Scott Sherman of Cast Art Industries, Inc., a Florida corporation, and as such officer and being authorized so to do, executed the foregoing instrument for the purposes therein contained as his free act and deed and the free act and deed of the corporation by signing the name of the corporation by himself as such officer.

In Witness Whereof I hereunto set my hand.



Notary Public

My Commission Expires: August 19, 2002

