

01-08-2003



ER SHEET
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12-31-02

102331030

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

Submission Type

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

Conveyance Type

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

Conveying Party

Mark if additional names of conveying parties attached

Name K. Van Bourgondien & Sons, Inc.

Execution Date
Month Day Year
10 25 02

Formerly _____

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

Receiving Party

Mark if additional names of receiving parties attached

Name Citibank, N.A.

DBA/AKA/TA _____

Composed of _____

Address (line 1) One Court Square, Zone 19/18

Address (line 2) _____

Address (line 3) Long Island City

New York

11120

- Individual General Partnership Limited Partnership
- Corporation Association
- Other Bank

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

Citizenship/State of Incorporation/Organization _____

FOR OFFICE USE ONLY

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

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

01/08/2003 LMUELLER 00000004 2582920

01 FC:0521
02 FC:0522

40.00 OP
250.00 OP

Domestic Representative Name and Address Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

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

Trademark Application Number(s) or Registration Number(s) Mark if additional numbers attached
 Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2,582,920"/>	<input type="text" value="2,161,746"/>	<input type="text" value="1,885,160"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2,364,029"/>	<input type="text" value="2,132,152"/>	<input type="text" value="1,051,424"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2,279,764"/>	<input type="text" value="1,918,235"/>	<input type="text" value="2,167,712"/>

Number of Properties Enter the total number of properties involved. #

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

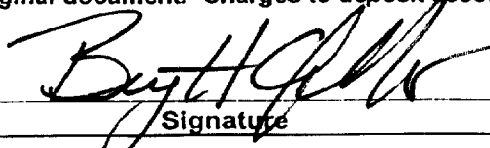
Method of Payment: Enclosed Deposit Account

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

Authorization to charge additional fees: Yes No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Bryan H. Opalko  12/23/2002

Name of Person Signing Signature Date Signed

RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year
10 25 02

Name **Simple Pleasures Flowerbulbs & Perennials, Inc.**

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization **New York**

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name **Banco Popular North America**

DBA/AKA/TA

Composed of

Address (line 1) **7 West 51st Street**

Address (line 2)

Address (line 3) **New York** **New York** **10019**
City State/Country Zip Code

Individual General Partnership Limited Partnership Corporation Association
 Other **Bank**

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

Citizenship/State of Incorporation/Organization

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

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

Mark if additional numbers attached

Trademark Application Number(s)

Registration Number(s)

2,219,473		
1,854,799		

RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

Citizenship/State of Incorporation/Organization

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

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

Mark if additional numbers attached

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

Trademark Application Number(s)

Registration Number(s)

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PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

This PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT (this "Agreement") is dated as of 10/20, 2002, and is entered into by and among K. VAN BOURGONDIEN & SONS, INC., a New York corporation with an address at 245 Route 109, Babylon, New York 11702 (the "Borrower"), SIMPLE PLEASURES FLOWERBULBS & PERENNIALS, INC., a New York corporation with an address at 245 Route 109, Babylon, New York 11702 ("Simple Pleasures"), VAN DYCK'S FLOWER FARMS, INC., a New York corporation with an address at 245 Route 109, Babylon, New York 11702 ("Van Dyck's"), CITIBANK, N.A., having an address at One Court Square, Zone 19/18, Long Island City, New York 11120 ("Citibank"), and BANCO POPULAR NORTH AMERICA, having an address at 7 West 51st Street, New York, New York 10019 ("Banco Popular", and together with Citibank, collectively, the "Banks").

WHEREAS, Citibank has extended credit facilities to the Borrower pursuant to (i) a master note dated November 14, 2001 in the amount of \$5,050,000.00, (ii) a \$1,600,000.00 Letter of Credit dated August 25, 1998, and (iii) a term note dated December 3, 1999 in the amount of \$338,000.00 (such notes and letter of credit, collectively, the "Citibank Notes"; the collective indebtedness evidenced by the Citibank Notes, hereinafter the "Citibank Loan"), which facilities, together with all of the security agreements, assignments and other documents given by the Borrower and by the parties listed on Schedule A attached hereto and made a part hereof (such parties, the "Guarantors") in favor of Citibank (the "Citibank Loan Documents") comprise the "Citibank Obligations";

WHEREAS, Borrower is in default of its obligations under the Citibank Loan in that it has failed to repay the Citibank Obligations when it agreed to do so;

WHEREAS, Banco Popular has extended certain credit facilities to the Borrower pursuant to (i) a promissory note dated September 13, 2000 in the original principal amount of \$3,000,000.00 (ii) a promissory note dated December 07, 1994 in the original principal amount of \$1,800,000.00; and (iii) a promissory note dated April 23, 2001 in the original principal amount of \$2,995,000.00 (such notes, collectively, the "Banco Popular Notes"; the collective indebtedness evidenced by the Banco Popular Notes, hereinafter the "Banco Popular Loans"), which facilities, together with all of the security agreements, assignments and other documents given by the Borrower and Guarantors in favor of Banco Popular (the "Banco Popular Loan Documents") and comprise the "Banco Popular Obligations";

WHEREAS, Borrower is in default of its obligations under the Banco Popular Loans in that it failed to repay the Banco Popular Obligations when due;

WHEREAS, the Citibank Loan and Banco Popular Loans may be collectively referred to as the "Loans"; and the Citibank Loan Documents, the Banco Popular Loan Documents and the Forbearance (as herein defined) may be collectively referred to as the "Loan Documents";

WHEREAS, the Borrower and the Guarantors are unable to repay the Obligations (as hereinafter defined) which are immediately due and payable and as a result have entered into that certain forbearance agreement with the Banks (the "Forbearance"), dated of even date herewith, pursuant to which the Banks have forbore and extended the time of payment for the Loans to and including December 31, 2002 and the Banks have agreed to so forbear under the terms and conditions set forth therein; and

WHEREAS, in consideration of the execution and delivery by the Banks of the Forbearance, the Borrower, Simple Pleasures and Van Dyck's have agreed, among other things, to grant a security interest to the Banks in certain patents, trademarks, copyrights and other property as security for the Obligations as more fully described herein.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

1. Defined Terms. Except as otherwise expressly provided herein, capitalized terms used in this Agreement shall have the respective meanings assigned to them in the Forbearance. Where applicable and except as otherwise expressly provided herein, terms used herein (whether or not capitalized) shall have the respective meanings assigned to them in the Uniform Commercial Code as enacted in New York as amended from time to time (the "Code").

(a) "Grantors" shall collectively mean and include K. Van Bourgondien & Sons, Inc., Simple Pleasures Flowerbulbs & Perennials, Inc. and Van Dyck's Flower Farms, Inc.

(b) "Patents, Trademarks and Copyrights" shall mean and include all of Grantors' present and future right, title and interest in and to the following: all trade names, patent applications, patents, trademark applications, trademarks and copyrights, whether now owned or hereafter acquired by Grantors, including, without limitation, those listed on Schedule B hereto, including all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, and the goodwill of the business to which any of the patents, trademarks and copyrights relate.

(c) "Obligations" shall mean and include, in addition to the Citibank Obligations and the Banco Popular Obligations, the following: (i) all now existing and hereafter arising indebtedness of the Borrower to the Banks or any of their respective Affiliates under the Loan Documents, including all obligations, liabilities, and indebtedness, whether for principal, interest, fees, expenses or otherwise, of the Borrowers to the Banks, or any of their respective affiliates, now existing or hereafter incurred under the Loan Documents as any of the same or any one or more of them may from time to time be amended, restated, modified, or supplemented, together with any and all extensions, renewals, refinancings, and refundings thereof in whole or in part (and including obligations, liabilities, and indebtedness arising or accruing after the commencement of any bankruptcy, insolvency, reorganization, or similar proceeding with respect to the Borrower or which would have arisen or accrued but for the commencement of such proceeding, even if the claim for such obligation, liability or indebtedness is not enforceable or

allowable in such proceeding, and including all obligations, liabilities and indebtedness arising from any extensions of credit under or in connection with the Loan Documents from time to time, regardless whether any such extensions of credit are in excess of the amount committed under or contemplated by the Loan Documents or are made in circumstances in which any condition to extension of credit is not satisfied); (ii) all reimbursement obligations of each and every Borrower with respect to any one or more letters of credit issued by the Banks or either of them; (iii) all indebtedness, loans, obligations, expenses and liabilities of each and every of the Borrower to the Banks, or any of their respective affiliates, arising out of any interest rate hedge provided by the Banks or such affiliates pursuant to the Loan Documents; and (iv) any sums advanced by the Banks or which may otherwise become due pursuant to the provisions of the Loan Documents or pursuant to any other document or instrument at any time delivered to the Banks in connection therewith, including commitment, letter of credit, agent or other fees and charges, and indemnification obligations under any such document or instrument, together with all interest payable on any of the foregoing, whether such sums are advanced or otherwise become due before or after the entry of any judgment for foreclosure or any judgment on any Loan Document or with respect to any default under any of the Loan Documents.

2. To secure the full payment and performance of all Obligations, Grantors hereby grant, and convey a security interest to Banks in the entire right, title and interest of Grantors in and to all of its Patents, Trademarks and Copyrights.

3. Grantors covenant and warrant that:

(a) the Patents, Trademarks and Copyrights are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) to the best of Grantors' knowledge, each of the Patents, Trademarks and Copyrights is valid and enforceable;

(c) Except for a Canadian license agreement entered into by Simple Pleasures granting Vanhof & Blokker the right to use Canadian trademarks and trade names owned by Simple Pleasures in Canada, Grantors are the sole and exclusive owners of the entire and unencumbered right, title and interest in and to each of the Patents, Trademarks and Copyrights, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, shop rights and covenants by Grantors not to sue third persons;

(d) Grantors have the corporate power and authority to enter into this Agreement and perform its terms;

(e) no claim has been made to Grantors or, to the knowledge of Grantors, any other person that the use of any of the Patents, Trademarks and Copyrights does or may violate the rights of any third party;

(f) Grantors have used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Patents, Trademarks and Copyrights;

(g) Grantors have used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents, Trademarks and Copyrights, except for those Patents, Trademarks and Copyrights that are hereafter allowed to lapse in accordance with Paragraph 10 hereof;

(h) Grantors will not change their state of incorporation, formation or organization, as applicable without providing thirty (30) days prior written notice to the Banks;

(i) Grantors will not change their name without providing thirty (30) days prior written notice to the Banks; and

(j) Grantors shall preserve their corporate existence and except as permitted by the Loan Documents, shall not (i) in one, or a series of related transactions, merge into or consolidate with any other entity, the survivor of which is not Grantors, or (ii) sell all or substantially all of its assets.

4. Notwithstanding the Canadian license agreement identified in Paragraph 3(c), Grantors agree that, until all of the Obligations shall have been satisfied in full, they will not enter into any agreement (for example, a license agreement) which is inconsistent with Grantors' obligations under this Agreement, without the Banks' prior written consent (which shall not be unreasonably withheld) except Grantors may license technology in the ordinary course of business without the Banks' consent to suppliers and customers to facilitate the manufacture and use of Grantors' products.

5. If, before the Obligations shall have been indefeasibly satisfied in full, Grantors shall own any new trademarks or any new copyrightable or patentable inventions, or any patent application or patent for any reissue, division, continuation, renewal, extension, or continuation in part of any Patent, Trademark or Copyright or any improvement on any Patent, Trademark or Copyright, the provisions of this Agreement shall automatically apply thereto and Grantors shall give to Banks prompt notice thereof in writing. Grantors and Banks agree to modify this Agreement by amending Schedule B to include any future patents, patent applications, trademark applications, trademarks, copyrights or copyright applications and the provisions of this Agreement shall apply thereto.

6. Banks shall have, in addition to all other rights and remedies given it by this Agreement and those rights and remedies set forth in the Loan Documents, those allowed by applicable law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks and Copyrights may be located and, without limiting the generality of the foregoing, if an Event of Default has occurred and is continuing, Banks may immediately, without demand of performance and without other notice (except as set forth below) or demand whatsoever to Grantors, all of which are hereby expressly waived by the Grantors, and without advertisement, sell at public or private sale or otherwise realize upon, in a city that the Banks shall designate by notice to the Grantors, in New York, New York, or elsewhere, the whole or from time to time any part of the Patents, Trademarks and Copyrights, or any interest which Grantors may have therein and, after deducting from the proceeds of sale or other disposition of the Patents, Trademarks and Copyrights all

expenses (including fees and expenses for brokers and attorneys), shall apply the remainder of such proceeds toward the payment of the Obligations as the Banks, in their sole discretion, shall determine. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to Grantors. Notice of any sale or other disposition of the Patents, Trademarks and Copyrights shall be given to Grantors at least ten (10) days before the time of any intended public or private sale or other disposition of the Patents, Trademarks and Copyrights is to be made, which Grantors hereby agree shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Banks may, to the extent permissible under applicable law, purchase the whole or any part of the Patents, Trademarks and Copyrights sold, free from any right of redemption on the part of Grantors, which right is hereby waived and released.

7. If any Event of Default shall have occurred and be continuing, Grantors hereby authorize and empower Banks to make, constitute and appoint any officer or agent of Banks, as Banks may select in their exclusive discretion, as Grantors' true and lawful attorney-in-fact, with the power to endorse Grantors' name on all applications, documents, papers and instruments necessary for Banks to use the Patents, Trademarks and Copyrights, or to grant or issue, on commercially reasonable terms, any exclusive or nonexclusive license under the Patents, Trademarks and Copyrights to any third person, or necessary for Banks to assign, pledge, convey or otherwise transfer title in or dispose, on commercially reasonable terms, of the Patents, Trademarks and Copyrights to any third person. Grantors hereby ratify 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 life of this Agreement. Grantors acknowledge and agree that (i) the power of attorney herein granted shall in no way be construed as to benefit Grantors; (ii) the Banks herein granted this power of attorney shall have no duty to exercise any powers granted hereunder for the benefit of Grantors; and (iii) the Banks herein granted this power of attorney shall, to the extent exercisable, exercise any and all powers granted hereunder for the benefit of the Banks. The Banks hereby accept this power of attorney and all powers granted hereunder for the benefit of the Banks.

8. At such time as Borrower shall have indefeasibly paid in full all of the Obligations, this Agreement shall terminate and Banks shall execute and deliver to Grantors all deeds, assignments and other instruments as may be necessary or proper to re-vest in Grantors full title to the Patents, Trademarks and Copyrights, subject to any disposition thereof which may have been made by Banks pursuant hereto.

9. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorney's fees and expenses incurred by Banks in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances, the protection, maintenance or preservation of the Patents, Trademarks and Copyrights, or the defense or prosecution of any actions or proceedings arising out of or related to the Patents, Trademarks and Copyrights, shall be borne and paid by Borrower within fifteen (15) days of demand by Banks, and if not paid within such time, shall be added to the principal amount of the Obligations and shall bear interest at the highest rate prescribed in the Loan Documents.

10. Grantors shall have the duty, through counsel reasonably acceptable to Banks, to prosecute diligently any patent applications of the Patents, Trademarks and Copyrights pending as of the date of this Agreement if commercially reasonable or thereafter until the Obligations shall have been indefeasibly paid in full, to make application on unpatented but patentable inventions (whenever it is commercially reasonable in the reasonable judgment of Grantors to do so) and to preserve and maintain all rights in patent applications and patents of the Patents, including without limitation the payment of all maintenance fees. Any expenses incurred in connection with such an application shall be borne by Grantors. Grantors shall not abandon any Patent, Trademark or Copyright without the consent of Banks, which shall not be unreasonably withheld.

11 Grantors shall have the right, with the consent of Banks, which shall not be unreasonably withheld, to bring suit, action or other proceeding in its own name, and to join Banks, if necessary, as a party to such suit so long as Banks is satisfied that such joinder will not subject it to any risk of liability, to enforce the Patents, Trademarks and Copyrights and any licenses thereunder. Grantors shall promptly, upon demand, reimburse and indemnify Banks for all damages, costs and expenses, including reasonable legal fees, incurred by Banks as a result of such suit or joinder by Grantors.

12. No course of dealing between Grantors and Banks, nor any failure to exercise nor any delay in exercising, on the part of Banks, any right, power or privilege hereunder or under the Loan Documents shall operate as a waiver of such right, power or privilege, nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. All of Banks' rights and remedies with respect to the Patents, Trademarks and Copyrights, whether established hereby or by the Loan Documents or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

14. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any clause or provision of this Agreement in any jurisdiction.

15. Except as provided in Paragraph 5, no amendment, modification, termination, or waiver of any provision of this Agreement, nor consent to any departure by the Grantors from this Agreement, shall in any event be effective unless the same shall be in writing and signed by the Banks, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

16. This Agreement shall be binding upon and inure to the benefit of the Banks and the Grantors, and their respective successors and assigns, except that the Grantors may not assign or transfer any of its rights under this Agreement without the prior written consent of the Banks.

17. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York.

18. No delay or omission in the exercise of any power or remedy herein provided or otherwise available to the Banks shall impair or affect the Banks' rights thereafter to exercise same, including the execution of the Agreement.

19. Submission to Jurisdiction.

(a) Any legal action or proceeding with respect to this Agreement or any document related hereto may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York, and, by execution and delivery of this Agreement, the Grantors hereby accept for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts to decide all matters relating to the Obligations. The parties hereto hereby irrevocably waive any objection, including, without limitation, any objection to the laying of venue or based on the grounds of *forum non conveniens*, which any of them may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdiction.

(b) The Grantors irrevocably consent to the service of process of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the Grantors at their address, and such service will become complete on the date such process is so mailed.

(c) Nothing contained in this Paragraph 19 shall affect the right of the Banks to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Grantors in any other jurisdiction.

20. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

21. THE PARTIES HERETO HEREBY KNOWINGLY AND INTENTIONALLY WAIVE ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY MATTER RELATING IN ANY WAY TO THE LOANS, THE OBLIGATIONS OR THIS AGREEMENT.

22. All notices, requests, demands, directions and other communications given to or made upon any party hereto under the provisions of this Agreement shall be made as set forth in the Loan Documents.

23. Grantors acknowledge and agree that, in addition to the other rights of the Banks hereunder and under the other Loan Documents, because the Banks' remedies at law for failure of Grantors to comply with the provisions hereof relating to the Banks' rights (i) to inspect the books and records related to the Patents, Trademarks and Copyrights, (ii) to receive the various notifications Grantors are required to deliver hereunder, (iii) to obtain copies of agreements and documents as provided herein with respect to the Patents, Trademarks and Copyrights, (iv) to

enforce the provisions hereof pursuant to which the Grantors have appointed the Banks its attorney-in-fact, and (v) to enforce the Banks' remedies hereunder, would be inadequate and that any such failure would not be adequately compensable in damages, Grantors agree that each such provision hereof may be specifically enforced.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or agents thereunto duly authorized, as of the date first above written.

BORROWER/GRANTORS:

K. VAN BOURGONDIEN & SONS, INC.,
a New York corporation

By: 

Name: **John F. Van Bourgondien**

Title: **President**

SIMPLE PLEASURES FLOWERBULBS &
PERENNIALS, INC., a New York corporation

By: 

Name: **John F. Van Bourgondien**

Title: **President**

VAN DYCK'S FLOWER FARMS, INC., a New
York Corporation

By: 

Name: **John F. Van Bourgondien**

Title: **President**

BANKS:

CITIBANK, N.A.

By _____

Name:

Title:

BANCO POPULAR NORTH AMERICA

By _____

Name:

Title:

SCHEDULE A

Guarantors

1. K. VAN BOURGONDIEN OF VIRGINIA, INC. (f/k/a J. Onderwater & Co.), a Delaware corporation, with an address at 1920 Campostella Road, Chesapeake, Virginia 23337;
2. SIMPLE PLEASURERS FLOWER BULBS & PERENNIALS, INC., a New York Corporation, with an address at 245 Route 109, Babylon, New York 11702;
3. ELAVAN REALTY CORP., a New York corporation with an address at 191 Peninsula Drive, Babylon, New York 11702;
4. K. VAN BOURGONDIEN & ZN B.V., a corporation organized and existing under the laws of the Netherlands, with an address at P.O. Box 112, 2160 A.C. Lisse, Holland;
5. K. VAN BOURGONDIEN HOLDING B.V., a corporation organized and existing under the laws of the Netherlands, with an address at Heereweg 352, 2161 CC Lisse, Holland;
6. VAN DYCK'S FLOWER FARMS, INC., a New York corporation, with an address at 245 Route 109, Babylon, New York 11702; and
7. J. ONDERWATER (CANADA) LTD., a corporation organized in Canada, having an address at 72 Goshen Road, P.O. Box 283, Tillonsburg, Ontario, Canada N4G4H8.
8. JOHN VAN BOURGONDIEN
9. JOSEPH P. VAN BOURGONDIEN

SCHEDULE BList of Patents, Trademarks, Trade Names and Copyrights1. U.S. Trademarks and Applications:

Registration Number	Mark	Owner	Filing Date	Application Number
2,582,920	BULBMALL	K. Van Bourgondien & Sons, Inc.	09/03/1999	75/792,419
2,364,029	FLOWERING FRIENDS	K. Van Bourgondien & Sons, Inc.	12/17/1998	75/607,779
2,279,764	THE BULB LADY and Design	K. Van Bourgondien & Sons, Inc.	04/01/1997	75/267,530
2,161,746	THE BULB LADY and Design	K. Van Bourgondien & Sons, Inc.	04/01/1997	75/267,529
2,132,152	HANS BRINKER and Design	K. Van Bourgondien & Sons, Inc.	10/29/1996	75/191,635
1,918,235	CAVALIER BULB COMPANY and Design	K. Van Bourgondien & Sons, Inc.	06/30/1993	74/407,387
1,885,160	VAN BOURGONDIEN	K. Van Bourgondien & Sons, Inc.	06/30/1993	74/407,380
1,051,424	HANS BRINKER	K. Van Bourgondien & Sons, Inc.	09/17/1975	73/063,254
	PERENNIAL PARTNERS	K. Van Bourgondien & Sons, Inc.	12/17/1998	75/608,550
2,167,712	PERFECT PARTNERS and Design	Simple Pleasures Flowerbulbs & Perennials, Inc.	07/18/1997	75/327,239
2,219,473	SIMPLE PLEASURES and Design	Simple Pleasures Flowerbulbs & Perennials, Inc.	12/20/1996	75/216,251

Registration Number	Mark	Owner	Filing Date	Application Number
1,854,799	VAN DYCK'S	Van Dyck's Flower Farms, Inc.	06/30/1993	74/407,803
	BULBMALL.COM	K. Van Bourgondien & Sons, Inc.	09/03/1999	75/792,420
	BULB MALL	K. Van Bourgondien & Sons, Inc.	09/03/1999	75/792,418
	BLOOMING BUDDIES	K. Van Bourgondien & Sons, Inc.	06/15/1999	75/755,664
	INSTANT WATER GARDEN	K. Van Bourgondien & Sons, Inc.	02/01/1999	75/631,875
	GARDENS OF DISTINCTION	K. Van Bourgondien & Sons, Inc.	12/17/1998	75/608,564
	HANS BRINKER JUMBO PACK	K. Van Bourgondien & Sons, Inc.	07/25/1989	73/814,687
1,595,629	HANS BRINKER SAC-PAC	K. Van Bourgondien & Sons, Inc.	07/25/1989	73/814,656
1,597,723	HANS BRINKER MASTER GARDENER SERIES	K. Van Bourgondien & Sons, Inc.	06/12/1989	73/805,873

2. Canadian Trademarks and Applications:

Registration Number	Mark	Owner	Filing Date	Application Number
	BLOOMING BUDDIES	K. Van Bourgondien & Sons, Inc.	01/24/2001	1,090,413
	BULBMALL	K. Van Bourgondien & Sons, Inc.	09/10/1999	1,028,630

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#1241551 v1 - Patent Trademark & Copyright Security Agreement (Banco Popular/Van Bourgondien)

TRADEMARK
REEL: 002644 FRAME: 0146

Registration Number	Mark	Owner	Filing Date	Application Number
TMA438,446	CAVALIER BULB COMPANY and Design	K. Van Bourgondien & Sons, Inc.	09/02/1993	0,736,493
TMA409,548	HANS BRINKER	K. Van Bourgondien & Sons, Inc.	01/09/1992	0,696,969
TMA417,013	HANS BRINKER MASTER GARDENER SERIES	K. Van Bourgondien & Sons, Inc.	01/09/1992	0,696,968
TMA540,297	INSTANT WATER GARDEN	K. Van Bourgondien & Sons, Inc.	02/23/1999	1,006,173
TMA437,713	VAN BOURGONDIE	K. Van Bourgondien & Sons, Inc.	08/06/1993	0,734,418
TMA511,277	PERFECT PARTNERS and Design	Simple Pleasures Flowerbulbs & Perennials, Inc.	07/23/1997	0,851,719
TMA502,567	SIMPLE PLEASURES FLOWERBULBS AND PERENNIALS and Design	Simple Pleasures Flowerbulbs & Perennials, Inc.	12/19/1996	0,831,965
	SIMPLE PLEASURES and Design	Simple Pleasures Flowerbulbs & Perennials, Inc.	04/28/2000	1,057,535
TMA434,512	VAN DYCK'S FLOWER FARMS, INC.	Van Dyck's Flower Farms, Inc.	08/06/1993	0,734,416
TMA423,846	GARDENER'S JOY	K. Van Bourgondien & Sons, Inc.	11/19/1992	0,717,284

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#1241551 v1 - Patent Trademark & Copyright Security Agreement (Banco Popular/Van Bourgondien)

**TRADEMARK
REEL: 002644 FRAME: 0147**

Registration Number	Mark	Owner	Filing Date	Application Number
TMA428,485	PROMOFLEUR BY ONDERWATER and Design	K. Van Bourgondien & Sons, Inc.	02/14/1992	0,698,954
	BULB MALL	K. Van Bourgondien & Sons, Inc.	09/10/1999	1,028,628
	BULBMALL.COM	K. Van Bourgondien & Sons, Inc.	09/10/1999	1,028,631
	FLOWERING FRIENDS	K. Van Bourgondien & Sons, Inc.	12/21/1998	1,000,175
	GARDENS OF DISTINCTION	K. Van Bourgondien & Sons, Inc.	12/21/1998	1,000,174
	PERENNIAL PARTNERS	K. Van Bourgondien & Sons, Inc.	12/21/1998	1,000,173

3. CTM Trademarks and Applications:

Registration Number	Mark	Owner	Filing Date	Application Number
001967942	BLOOMING BUDDIES	K. Van Bourgondien & Sons, Inc.	11/23/2000	001967942
00509695	SIMPLE PLEASURES FLOWERBULBS AND PERENNIALS and Design	Simple Pleasures Flowerbulbs & Perennials, Inc.	04/04/1997	00509695

4. Japanese Trademarks and Applications:

Registration Number	Mark	Owner	Filing Date	Application Number
4408147	THE BULB LADY and Design	K. Van Bourgondien & Sons, Inc.	10/01/1999	89540/1999
4408149	THE BULB LADY and Design	K. Van Bourgondien & Sons, Inc.	10/01/1999	89554/1999
4408148	VAN BOURGONDIE	K. Van Bourgondien & Sons, Inc.	10/01/1999	89551/1999
4442176	VAN BOURGONDIE	K. Van Bourgondien & Sons, Inc.	10/01/1999	89553/1999
4280713	SIMPLE PLEASURES FLOWERBULBS AND PERENNIALS and Design	Simple Pleasures Flowerbulbs & Perennials, Inc.	03/26/1997	32745/1997

5. Patents and Patent Applications:

Patent No.	Application No.	Country	Owner	Filing Date
5,836,509	940,483	United States	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/30/1997
5,881,892	940,482	United States	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/30/1997

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#1241551 v1 - Patent Trademark & Copyright Security Agreement (Banco Popular/Van Bourgondien)

TRADEMARK
REEL: 002644 FRAME: 0149

Patent No.	Application No.	Country	Owner	Filing Date
0,905,031	98203268.2	EPO	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/29/1998
	98203267.4	EPO	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/29/1998
217,274	98203268.2	Austria	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/29/1998
69805258	98203268.2	Germany	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/29/1998
	2,248,811	Canada	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/28/1998
	2,248,813	Canada	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/28/1998
	313875/98	Japan	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/30/1998
	313876/98	Japan	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/30/1998

PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

This PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT (this "Agreement") is dated as of 10/25, 2002, and is entered into by and among K. VAN BOURGONDIEN & SONS, INC., a New York corporation with an address at 245 Route 109, Babylon, New York 11702 (the "Borrower"), SIMPLE PLEASURES FLOWERBULBS & PERENNIALS, INC., a New York corporation with an address at 245 Route 109, Babylon, New York 11702 ("Simple Pleasures"), VAN DYCK'S FLOWER FARMS, INC., a New York corporation with an address at 245 Route 109, Babylon, New York 11702 ("Van Dyck's"), CITIBANK, N.A., having an address at One Court Square, Zone 19/18, Long Island City, New York 11120 ("Citibank"), and BANCO POPULAR NORTH AMERICA, having an address at 7 West 51st Street, New York, New York 10019 ("Banco Popular", and together with Citibank, collectively, the "Banks").

WHEREAS, Citibank has extended credit facilities to the Borrower pursuant to (i) a master note dated November 14, 2001 in the amount of \$5,050,000.00, (ii) a \$1,600,000.00 Letter of Credit dated August 25, 1998, and (iii) a term note dated December 3, 1999 in the amount of \$338,000.00 (such notes and letter of credit, collectively, the "Citibank Notes"; the collective indebtedness evidenced by the Citibank Notes, hereinafter the "Citibank Loan"), which facilities, together with all of the security agreements, assignments and other documents given by the Borrower and by the parties listed on Schedule A attached hereto and made a part hereof (such parties, the "Guarantors") in favor of Citibank (the "Citibank Loan Documents") comprise the "Citibank Obligations";

WHEREAS, Borrower is in default of its obligations under the Citibank Loan in that it has failed to repay the Citibank Obligations when it agreed to do so;

WHEREAS, Banco Popular has extended certain credit facilities to the Borrower pursuant to (i) a promissory note dated September 13, 2000 in the original principal amount of \$3,000,000.00 (ii) a promissory note dated December 07, 1994 in the original principal amount of \$1,800,000.00; and (iii) a promissory note dated April 23, 2001 in the original principal amount of \$2,995,000.00 (such notes, collectively, the "Banco Popular Notes"; the collective indebtedness evidenced by the Banco Popular Notes, hereinafter the "Banco Popular Loans"), which facilities, together with all of the security agreements, assignments and other documents given by the Borrower and Guarantors in favor of Banco Popular (the "Banco Popular Loan Documents") and comprise the "Banco Popular Obligations";

WHEREAS, Borrower is in default of its obligations under the Banco Popular Loans in that it failed to repay the Banco Popular Obligations when due;

WHEREAS, the Citibank Loan and Banco Popular Loans may be collectively referred to as the "Loans"; and the Citibank Loan Documents, the Banco Popular Loan Documents and the Forbearance (as herein defined) may be collectively referred to as the "Loan Documents";

WHEREAS, the Borrower and the Guarantors are unable to repay the Obligations (as hereinafter defined) which are immediately due and payable and as a result have entered into that certain forbearance agreement with the Banks (the "Forbearance"), dated of even date herewith, pursuant to which the Banks have forbore and extended the time of payment for the Loans to and including December 31, 2002 and the Banks have agreed to so forbear under the terms and conditions set forth therein; and

WHEREAS, in consideration of the execution and delivery by the Banks of the Forbearance, the Borrower, Simple Pleasures and Van Dyck's have agreed, among other things, to grant a security interest to the Banks in certain patents, trademarks, copyrights and other property as security for the Obligations as more fully described herein.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

1. Defined Terms. Except as otherwise expressly provided herein, capitalized terms used in this Agreement shall have the respective meanings assigned to them in the Forbearance. Where applicable and except as otherwise expressly provided herein, terms used herein (whether or not capitalized) shall have the respective meanings assigned to them in the Uniform Commercial Code as enacted in New York as amended from time to time (the "Code").

(a) "Grantors" shall collectively mean and include K. Van Bourgondien & Sons, Inc., Simple Pleasures Flowerbulbs & Perennials, Inc. and Van Dyck's Flower Farms, Inc.

(b) "Patents, Trademarks and Copyrights" shall mean and include all of Grantors' present and future right, title and interest in and to the following: all trade names, patent applications, patents, trademark applications, trademarks and copyrights, whether now owned or hereafter acquired by Grantors, including, without limitation, those listed on Schedule B hereto, including all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, and the goodwill of the business to which any of the patents, trademarks and copyrights relate.

(c) "Obligations" shall mean and include, in addition to the Citibank Obligations and the Banco Popular Obligations, the following: (i) all now existing and hereafter arising indebtedness of the Borrower to the Banks or any of their respective Affiliates under the Loan Documents, including all obligations, liabilities, and indebtedness, whether for principal, interest, fees, expenses or otherwise, of the Borrowers to the Banks, or any of their respective affiliates, now existing or hereafter incurred under the Loan Documents as any of the same or any one or more of them may from time to time be amended, restated, modified, or supplemented, together with any and all extensions, renewals, refinancings, and refundings thereof in whole or in part (and including obligations, liabilities, and indebtedness arising or accruing after the commencement of any bankruptcy, insolvency, reorganization, or similar proceeding with respect to the Borrower or which would have arisen or accrued but for the commencement of such proceeding, even if the claim for such obligation, liability or

indebtedness is not enforceable or allowable in such proceeding, and including all obligations, liabilities and indebtedness arising from any extensions of credit under or in connection with the Loan Documents from time to time, regardless whether any such extensions of credit are in excess of the amount committed under or contemplated by the Loan Documents or are made in circumstances in which any condition to extension of credit is not satisfied); (ii) all reimbursement obligations of each and every Borrower with respect to any one or more letters of credit issued by the Banks or either of them; (iii) all indebtedness, loans, obligations, expenses and liabilities of each and every of the Borrower to the Banks, or any of their respective affiliates, arising out of any interest rate hedge provided by the Banks or such affiliates pursuant to the Loan Documents; and (iv) any sums advanced by the Banks or which may otherwise become due pursuant to the provisions of the Loan Documents or pursuant to any other document or instrument at any time delivered to the Banks in connection therewith, including commitment, letter of credit, agent or other fees and charges, and indemnification obligations under any such document or instrument, together with all interest payable on any of the foregoing, whether such sums are advanced or otherwise become due before or after the entry of any judgment for foreclosure or any judgment on any Loan Document or with respect to any default under any of the Loan Documents.

2. To secure the full payment and performance of all Obligations, Grantors hereby grant, and convey a security interest to Banks in the entire right, title and interest of Grantors in and to all of its Patents, Trademarks and Copyrights.

3. Grantors covenant and warrant that:

(a) the Patents, Trademarks and Copyrights are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) to the best of Grantors' knowledge, each of the Patents, Trademarks and Copyrights is valid and enforceable;

(c) Except for a Canadian license agreement entered into by Simple Pleasures granting Vanhof & Blokker the right to use Canadian trademarks and trade names owned by Simple Pleasures in Canada, Grantors are the sole and exclusive owners of the entire and unencumbered right, title and interest in and to each of the Patents, Trademarks and Copyrights, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, shop rights and covenants by Grantors not to sue third persons;

(d) Grantors have the corporate power and authority to enter into this Agreement and perform its terms;

(e) no claim has been made to Grantors or, to the knowledge of Grantors, any other person that the use of any of the Patents, Trademarks and Copyrights does or may violate the rights of any third party;

(f) Grantors have used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Patents, Trademarks and Copyrights;

(g) Grantors have used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents, Trademarks and Copyrights, except for those Patents, Trademarks and Copyrights that are hereafter allowed to lapse in accordance with Paragraph 10 hereof;

(h) Grantors will not change their state of incorporation, formation or organization, as applicable without providing thirty (30) days prior written notice to the Banks;

(i) Grantors will not change their name without providing thirty (30) days prior written notice to the Banks; and

(j) Grantors shall preserve their corporate existence and except as permitted by the Loan Documents, shall not (i) in one, or a series of related transactions, merge into or consolidate with any other entity, the survivor of which is not Grantors, or (ii) sell all or substantially all of its assets.

4. Notwithstanding the Canadian license agreement identified in Paragraph 3(c), Grantors agree that, until all of the Obligations shall have been satisfied in full, they will not enter into any agreement (for example, a license agreement) which is inconsistent with Grantors' obligations under this Agreement, without the Banks' prior written consent (which shall not be unreasonably withheld) except Grantors may license technology in the ordinary course of business without the Banks' consent to suppliers and customers to facilitate the manufacture and use of Grantors' products.

5. If, before the Obligations shall have been indefeasibly satisfied in full, Grantors shall own any new trademarks or any new copyrightable or patentable inventions, or any patent application or patent for any reissue, division, continuation, renewal, extension, or continuation in part of any Patent, Trademark or Copyright or any improvement on any Patent, Trademark or Copyright, the provisions of this Agreement shall automatically apply thereto and Grantors shall give to Banks prompt notice thereof in writing. Grantors and Banks agree to modify this Agreement by amending Schedule B to include any future patents, patent applications, trademark applications, trademarks, copyrights or copyright applications and the provisions of this Agreement shall apply thereto.

6. Banks shall have, in addition to all other rights and remedies given it by this Agreement and those rights and remedies set forth in the Loan Documents, those allowed by applicable law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks and Copyrights may be located and, without limiting the generality of the foregoing, if an Event of Default has occurred and is continuing, Banks may immediately, without demand of performance and without other notice (except as set forth below) or demand whatsoever to Grantors, all of which are hereby expressly waived by the Grantors, and without advertisement, sell at public or private sale or

otherwise realize upon, in a city that the Banks shall designate by notice to the Grantors, in New York, New York, or elsewhere, the whole or from time to time any part of the Patents, Trademarks and Copyrights, or any interest which Grantors may have therein and, after deducting from the proceeds of sale or other disposition of the Patents, Trademarks and Copyrights all expenses (including fees and expenses for brokers and attorneys), shall apply the remainder of such proceeds toward the payment of the Obligations as the Banks, in their sole discretion, shall determine. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to Grantors. Notice of any sale or other disposition of the Patents, Trademarks and Copyrights shall be given to Grantors at least ten (10) days before the time of any intended public or private sale or other disposition of the Patents, Trademarks and Copyrights is to be made, which Grantors hereby agree shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Banks may, to the extent permissible under applicable law, purchase the whole or any part of the Patents, Trademarks and Copyrights sold, free from any right of redemption on the part of Grantors, which right is hereby waived and released.

7. If any Event of Default shall have occurred and be continuing, Grantors hereby authorize and empower Banks to make, constitute and appoint any officer or agent of Banks, as Banks may select in their exclusive discretion, as Grantors' true and lawful attorney-in-fact, with the power to endorse Grantors' name on all applications, documents, papers and instruments necessary for Banks to use the Patents, Trademarks and Copyrights, or to grant or issue, on commercially reasonable terms, any exclusive or nonexclusive license under the Patents, Trademarks and Copyrights to any third person, or necessary for Banks to assign, pledge, convey or otherwise transfer title in or dispose, on commercially reasonable terms, of the Patents, Trademarks and Copyrights to any third person. Grantors hereby ratify 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 life of this Agreement. Grantors acknowledge and agree that (i) the power of attorney herein granted shall in no way be construed as to benefit Grantors; (ii) the Banks herein granted this power of attorney shall have no duty to exercise any powers granted hereunder for the benefit of Grantors; and (iii) the Banks herein granted this power of attorney shall, to the extent exercisable, exercise any and all powers granted hereunder for the benefit of the Banks. The Banks hereby accept this power of attorney and all powers granted hereunder for the benefit of the Banks.

8. At such time as Borrower shall have indefeasibly paid in full all of the Obligations, this Agreement shall terminate and Banks shall execute and deliver to Grantors all deeds, assignments and other instruments as may be necessary or proper to re-vest in Grantors full title to the Patents, Trademarks and Copyrights, subject to any disposition thereof which may have been made by Banks pursuant hereto.

9. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorney's fees and expenses incurred by Banks in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances,

the protection, maintenance or preservation of the Patents, Trademarks and Copyrights, or the defense or prosecution of any actions or proceedings arising out of or related to the Patents, Trademarks and Copyrights, shall be borne and paid by Borrower within fifteen (15) days of demand by Banks, and if not paid within such time, shall be added to the principal amount of the Obligations and shall bear interest at the highest rate prescribed in the Loan Documents.

10. Grantors shall have the duty, through counsel reasonably acceptable to Banks, to prosecute diligently any patent applications of the Patents, Trademarks and Copyrights pending as of the date of this Agreement if commercially reasonable or thereafter until the Obligations shall have been indefeasibly paid in full, to make application on unpatented but patentable inventions (whenever it is commercially reasonable in the reasonable judgment of Grantors to do so) and to preserve and maintain all rights in patent applications and patents of the Patents, including without limitation the payment of all maintenance fees. Any expenses incurred in connection with such an application shall be borne by Grantors. Grantors shall not abandon any Patent, Trademark or Copyright without the consent of Banks, which shall not be unreasonably withheld.

11. Grantors shall have the right, with the consent of Banks, which shall not be unreasonably withheld, to bring suit, action or other proceeding in its own name, and to join Banks, if necessary, as a party to such suit so long as Banks is satisfied that such joinder will not subject it to any risk of liability, to enforce the Patents, Trademarks and Copyrights and any licenses thereunder. Grantors shall promptly, upon demand, reimburse and indemnify Banks for all damages, costs and expenses, including reasonable legal fees, incurred by Banks as a result of such suit or joinder by Grantors.

12. No course of dealing between Grantors and Banks, nor any failure to exercise nor any delay in exercising, on the part of Banks, any right, power or privilege hereunder or under the Loan Documents shall operate as a waiver of such right, power or privilege, nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. All of Banks' rights and remedies with respect to the Patents, Trademarks and Copyrights, whether established hereby or by the Loan Documents or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

14. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any clause or provision of this Agreement in any jurisdiction.

15. Except as provided in Paragraph 5, no amendment, modification, termination, or waiver of any provision of this Agreement, nor consent to any departure by the Grantors from this Agreement, shall in any event be effective unless the same shall be in writing and signed by the Banks, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

16. This Agreement shall be binding upon and inure to the benefit of the Banks and the Grantors, and their respective successors and assigns, except that the Grantors may not assign or transfer any of its rights under this Agreement without the prior written consent of the Banks.

17. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York.

18. No delay or omission in the exercise of any power or remedy herein provided or otherwise available to the Banks shall impair or affect the Banks' rights thereafter to exercise same, including the execution of the Agreement.

19. Submission to Jurisdiction.

(a) Any legal action or proceeding with respect to this Agreement or any document related hereto may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York, and, by execution and delivery of this Agreement, the Grantors hereby accept for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts to decide all matters relating to the Obligations. The parties hereto hereby irrevocably waive any objection, including, without limitation, any objection to the laying of venue or based on the grounds of *forum non conveniens*, which any of them may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdiction.

(b) The Grantors irrevocably consent to the service of process of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the Grantors at their address, and such service will become complete on the date such process is so mailed.

(c) Nothing contained in this Paragraph 19 shall affect the right of the Banks to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Grantors in any other jurisdiction.

20. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

21. THE PARTIES HERETO HEREBY KNOWINGLY AND INTENTIONALLY WAIVE ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY MATTER RELATING IN ANY WAY TO THE LOANS, THE OBLIGATIONS OR THIS AGREEMENT.

22. All notices, requests, demands, directions and other communications given to or made upon any party hereto under the provisions of this Agreement shall be made as set forth in the Loan Documents.

23. Grantors acknowledge and agree that, in addition to the other rights of the Banks hereunder and under the other Loan Documents, because the Banks' remedies at law for failure of Grantors to comply with the provisions hereof relating to the Banks' rights (i) to inspect the books and records related to the Patents, Trademarks and Copyrights, (ii) to receive the various notifications Grantors are required to deliver hereunder, (iii) to obtain copies of agreements and documents as provided herein with respect to the Patents, Trademarks and Copyrights, (iv) to enforce the provisions hereof pursuant to which the Grantors have appointed the Banks its attorney-in-fact, and (v) to enforce the Banks' remedies hereunder, would be inadequate and that any such failure would not be adequately compensable in damages, Grantors agree that each such provision hereof may be specifically enforced.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or agents thereunto duly authorized, as of the date first above written.

BORROWER/GRANTORS:

K. VAN BOURGONDIEN & SONS, INC.,
a New York corporation

By: _____
Name:
Title:

SIMPLE PLEASURES FLOWERBULBS &
PERENNIALS, INC., a New York corporation

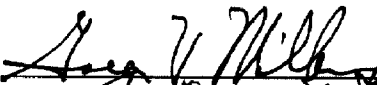
By: _____
Name:
Title:

VAN DYCK'S FLOWER FARMS, INC., a New
York Corporation

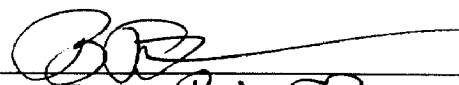
By: _____
Name:
Title:

BANKS:

CITIBANK, N.A.

By:  _____
Name: George V. Murphy
Title: Vice President

BANCO POPULAR NORTH AMERICA

By:  _____
Name: Brian F. Doran
Title: SVP

SCHEDULE A

Guarantors

1. K. VAN BOURGONDIEN OF VIRGINIA, INC. (f/k/a J. Onderwater & Co.), a Delaware corporation, with an address at 1920 Campostella Road, Chesapeake, Virginia 23337;
2. SIMPLE PLEASURERS FLOWER BULBS & PERENNIALS, INC., a New York Corporation, with an address at 245 Route 109, Babylon, New York 11702;
3. ELAVAN REALTY CORP., a New York corporation with an address at 191 Peninsula Drive, Babylon, New York 11702;
4. K. VAN BOURGONDIEN & ZN B.V., a corporation organized and existing under the laws of the Netherlands, with an address at P.O. Box 112, 2160 A.C. Lisse, Holland;
5. K. VAN BOURGONDIEN HOLDING B.V., a corporation organized and existing under the laws of the Netherlands, with an address at Heereweg 352, 2161 CC Lisse, Holland;
6. VAN DYCK'S FLOWER FARMS, INC., a New York corporation, with an address at 245 Route 109, Babylon, New York 11702; and
7. J. ONDERWATER (CANADA) LTD., a corporation organized in Canada, having an address at 72 Goshen Road, P.O. Box 283, Tillonsburg, Ontario, Canada N4G4H8.
8. J. ONDERWATER & CO. EXPORT, B.V., a corporation organized and existing under the laws of the Netherlands, with an address at Heereweg 352, P.O. Box 112, 2160 A.C. Lisse, Holland;
9. JOHN VAN BOURGONDIEN
10. JOSEPH P. VAN BOURGONDIEN

SCHEDULE BList of Patents, Trademarks, Trade Names and Copyrights1. U.S. Trademarks and Applications:

Registration Number	Mark	Owner	Filing Date	Application Number
2,582,920	BULBMALL	K. Van Bourgondien & Sons, Inc.	09/03/1999	75/792,419
2,364,029	FLOWERING FRIENDS	K. Van Bourgondien & Sons, Inc.	12/17/1998	75/607,779
2,279,764	THE BULB LADY and Design	K. Van Bourgondien & Sons, Inc.	04/01/1997	75/267,530
2,161,746	THE BULB LADY and Design	K. Van Bourgondien & Sons, Inc.	04/01/1997	75/267,529
2,132,152	HANS BRINKER and Design	K. Van Bourgondien & Sons, Inc.	10/29/1996	75/191,635
1,918,235	CAVALIER BULB COMPANY and Design	K. Van Bourgondien & Sons, Inc.	06/30/1993	74/407,387
1,885,160	VAN BOURGONDIE	K. Van Bourgondien & Sons, Inc.	06/30/1993	74/407,380
1,051,424	HANS BRINKER	K. Van Bourgondien & Sons, Inc.	09/17/1975	73/063,254
	PERENNIAL PARTNERS	K. Van Bourgondien & Sons, Inc.	12/17/1998	75/608,550
2,167,712	PERFECT PARTNERS and Design	Simple Pleasures Flowerbulbs & Perennials, Inc.	07/18/1997	75/327,239
2,219,473	SIMPLE PLEASURES and Design	Simple Pleasures Flowerbulbs & Perennials, Inc.	12/20/1996	75/216,251

Registration Number	Mark	Owner	Filing Date	Application Number
1,854,799	VAN DYCK'S	Van Dyck's Flower Farms, Inc.	06/30/1993	74/407,803
	BULBMALL.COM	K. Van Bourgondien & Sons, Inc.	09/03/1999	75/792,420
	BULB MALL	K. Van Bourgondien & Sons, Inc.	09/03/1999	75/792,418
	BLOOMING BUDDIES	K. Van Bourgondien & Sons, Inc.	06/15/1999	75/755,664
	INSTANT WATER GARDEN	K. Van Bourgondien & Sons, Inc.	02/01/1999	75/631,875
	GARDENS OF DISTINCTION	K. Van Bourgondien & Sons, Inc.	12/17/1998	75/608,564
	HANS BRINKER JUMBO PACK	K. Van Bourgondien & Sons, Inc.	07/25/1989	73/814,687
1,595,629	HANS BRINKER SAC-PAC	K. Van Bourgondien & Sons, Inc.	07/25/1989	73/814,656
1,597,723	HANS BRINKER MASTER GARDENER SERIES	K. Van Bourgondien & Sons, Inc.	06/12/1989	73/805,873

2. Canadian Trademarks and Applications:

Registration Number	Mark	Owner	Filing Date	Application Number
	BLOOMING BUDDIES	K. Van Bourgondien & Sons, Inc.	01/24/2001	1,090,413
	BULBMALL	K. Van Bourgondien & Sons, Inc.	09/10/1999	1,028,630

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Revised - Patent Trademark Copyright Security Agreement (Banco PopularVan Bourgondien)_v1

TRADEMARK
REEL: 002644 FRAME: 0162

Registration Number	Mark	Owner	Filing Date	Application Number
TMA438,446	CAVALIER BULB COMPANY and Design	K. Van Bourgondien & Sons, Inc.	09/02/1993	0,736,493
TMA409,548	HANS BRINKER	K. Van Bourgondien & Sons, Inc.	01/09/1992	0,696,969
TMA417,013	HANS BRINKER MASTER GARDENER SERIES	K. Van Bourgondien & Sons, Inc.	01/09/1992	0,696,968
TMA540,297	INSTANT WATER GARDEN	K. Van Bourgondien & Sons, Inc.	02/23/1999	1,006,173
TMA437,713	VAN BOURGONDIEN	K. Van Bourgondien & Sons, Inc.	08/06/1993	0,734,418
TMA511,277	PERFECT PARTNERS and Design	Simple Pleasures Flowerbulbs & Perennials, Inc.	07/23/1997	0,851,719
TMA502,567	SIMPLE PLEASURES FLOWERBULBS AND PERENNIALS and Design	Simple Pleasures Flowerbulbs & Perennials, Inc.	12/19/1996	0,831,965
	SIMPLE PLEASURES and Design	Simple Pleasures Flowerbulbs & Perennials, Inc.	04/28/2000	1,057,535
TMA434,512	VAN DYCK'S FLOWER FARMS, INC.	Van Dyck's Flower Farms, Inc.	08/06/1993	0,734,416
TMA423,846	GARDENER'S JOY	J. Onderwater & Co. Export B.V.	11/19/1992	0,717,284

Registration Number	Mark	Owner	Filing Date	Application Number
TMA428,485	PROMOFLEUR BY ONDERWATER and Design	J. Onderwater & Co. Export B.V.	02/14/1992	0,698,954
	BULB MALL	K. Van Bourgondien & Sons, Inc.	09/10/1999	1,028,628
	BULBMALL.COM	K. Van Bourgondien & Sons, Inc.	09/10/1999	1,028,631
	FLOWERING FRIENDS	K. Van Bourgondien & Sons, Inc.	12/21/1998	1,000,175
	GARDENS OF DISTINCTION	K. Van Bourgondien & Sons, Inc.	12/21/1998	1,000,174
	PERENNIAL PARTNERS	K. Van Bourgondien & Sons, Inc.	12/21/1998	1,000,173

3. CTM Trademarks and Applications:

Registration Number	Mark	Owner	Filing Date	Application Number
001967942	BLOOMING BUDDIES	K. Van Bourgondien & Sons, Inc.	11/23/2000	001967942
00509695	SIMPLE PLEASURES FLOWERBULBS AND PERENNIALS and Design	Simple Pleasures Flowerbulbs & Perennials, Inc.	04/04/1997	00509695

4. Japanese Trademarks and Applications:

Registration Number	Mark	Owner	Filing Date	Application Number
4408147	THE BULB LADY and Design	K. Van Bourgondien & Sons, Inc.	10/01/1999	89540/1999
4408149	THE BULB LADY and Design	K. Van Bourgondien & Sons, Inc.	10/01/1999	89554/1999
4408148	VAN BOURGONDIE	K. Van Bourgondien & Sons, Inc.	10/01/1999	89551/1999
4442176	VAN BOURGONDIE	K. Van Bourgondien & Sons, Inc.	10/01/1999	89553/1999
4280713	SIMPLE PLEASURES FLOWERBULBS AND PERENNIALS and Design	Simple Pleasures Flowerbulbs & Perennials, Inc.	03/26/1997	32745/1997

5. Patents and Patent Applications:

Patent No.	Application No.	Country	Owner	Filing Date
5,836,509	940,483	United States	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/30/1997

Patent No.	Application No.	Country	Owner	Filing Date
5,881,892	940,482	United States	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/30/1997
0,905,030	98203268.2	EPO	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/29/1998
0,904,714	98203267.4	EPO	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/29/1998
217,274	98203268.2	Austria	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/29/1998
69805258	98203268.2	Germany	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/29/1998
2,248,811	2,248,811	Canada	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/28/1998
2,248,813	2,248,813	Canada	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/28/1998
11-196984	98313875	Japan	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/30/1998
11-198931	98313876	Japan	Simple Pleasures Flowerbulbs & Perennials, Inc.	09/30/1998

CERTIFICATION

I hereby certify that the Patent, Trademark and Copyright Security Agreement between K. Van Bourgondien & Sons, Inc., Simple Pleasures Flowerbulbs & Perennials, Inc., Van Dyck's Flower Farms, Inc., Citibank, N.A. and Banco Popular North America is a true and exact copy of the original Patent, Trademark and Copyright Security Agreement.

12/23/02
Date

Vicki Cremonese
Vicki Cremonese
Notary Public

