

05-13-2003



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

Form PTO-1594  
(Rev. 10/02)  
OMB No. 0651-0027 (exp. 6/30/2005)  
Tab settings

102440443

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

NRD 12-18-02

1. Name of conveying party(ies):

Tiro Industries, LLC

12/18/02

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

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

3. Nature of conveyance:

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

Execution Date: 12/12/02

2. Name and address of receiving party(ies)

Name: Transamerica Business Capital Corporation

Internal as Collateral Agent

Address:

Street Address: 555 Theodore Fremd Avenue

City: Rye State: NY Zip: 10580

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Delaware
- 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

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

A. Trademark Application No.(s) \_\_\_\_\_  
See attached Schedule I.

B. Trademark Registration No.(s) \_\_\_\_\_  
See attached Schedule I.

Additional number(s) attached  Yes  No

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

Name: Nathan M. Eisler, Esq.

Internal Address: Luskin, Stern & Eisler LLP

Street Address: 330 Madison Avenue  
34th Floor

City: NY State: NY Zip: 10017

6. Total number of applications and registrations involved: \_\_\_\_\_

46

7. Total fee (37 CFR 3.41).....\$ 1165.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_

DO NOT USE THIS SPACE

9. Signature.

Nathan M. Eisler

Name of Person Signing

Nathan M. Eisler

Signature

12/16/02

Date

Total number of pages including cover sheet, attachments, and document: 19

2/27/2002 6TON11 00000022 472523

1 FC:8521 40.00 OP  
2 FC:8522 1125.00 OP

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

Schedule ITrademarks

Mark	Application No.	Reg. Number
Mane Street	791518	472523
Mane Street & Design	73/148383	1119480
Mane Street (Stylized)	73/710039	1735933
Mane Street	74/687899	1976580
Seasoapents & Design	566832	373717
Sea Soapents & Design	1272075	1272075
Sea Soapents & Design	73/595772	1424520
Sunrane	73/501519	1354826
Proteoglucoseal	73/711468	1511435
Proteoglucoseal	74/675160	2009650
Mane Treatment	73/712187	1521448
Nadeon (Stylized)	634160	463504
Nadeon (Stylized)	73/783166	1600218
M Design	655811	425470
M	73/709966	1510612
Citrascal	74/023138	1626572
Citra Glaze	74/053695	1865132
Citricce	74/054585	1799908
Pacific Spa	74/293185	1804029
Body Advantage	74/293183	1931868
4 Ever Clear	74/335768	1823550
Body Elements	250589	250589
Body Elements	8521505	750687
Body Elements	74/060214	1709085
Mane Sense	786486	496557
Mane Sense	74/634131	1992648
Citra-ize	786487	496909
Citra-ize	74/638988	1992673
100% Pure Goodness	809881	525628
100% Pure Goodness	75/028695	2071248
4 Ever Clear	75/576290	2278198
Citricine	1013096	
Citricine	75/601762	
4 Ever Clear	1013095	
4 Ever Clear	1153345	1153345
4 Ever Clear	75/601676	2453689
4 Ever Cool	1033376	
4 Ever Cool	75/708165	2530338
4 Ever Cool	75/979296	2449055
4 Ever Stiff	1033377	
4 Ever Stiff	75/717605	2474228
Claricine	75/901986	

Tiro	76/408895	
Tiro	76/405607	
"T" Design	76/408877	
Tiro & "T" Design	76/408899	

**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

**INTELLECTUAL PROPERTY SECURITY AGREEMENT**, dated as of December 12, 2002 (this "Agreement"), by **TIRO INDUSTRIES, LLC**, a Delaware limited liability company (the "Grantor"), in favor of **TRANSAMERICA BUSINESS CAPITAL CORPORATION** as collateral agent for (in such capacity the "Collateral Agent") **IRONBRIDGE MEZZANINE FUND, L.P.**, with offices at 200 Fisher Drive, Avon, Connecticut 06001-3723 and **CONVERGENT CAPITAL PARTNERS I, L.P.**, with offices at 5353 Wayzata Boulevard, Minneapolis, Minnesota, and such other investors from time to time a party to the Note and Warrant Purchase Agreement (the "Investors").

**WITNESSETH:**

**WHEREAS**, the Grantor, as borrower, and the Investors are entering into a Note and Warrant Purchase Agreement of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Note Purchase Agreement"; capitalized terms used but not defined herein shall have the meanings given them in the Note Purchase Agreement); and

**WHEREAS**, it is a condition precedent to the effectiveness of the Note Purchase Agreement that the Grantor shall have executed and delivered this Agreement in favor of and for the benefit of the Investors.

**NOW, THEREFORE**, in consideration of the promises contained herein and to induce the Investors to enter into the Note Purchase Agreement, the Grantor hereby agrees as follows:

**SECTION 1. Security for Obligations.**

(a) **Security Interest in Patents.** To secure the full and prompt payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, the Grantor hereby grants to the Collateral Agent for the ratable benefit of the Investors a valid security interest in all of its right, title and interest in the United States and throughout the world in, to and under all of its now owned and hereafter acquired United States and foreign patents and all patent and design patent applications of the Grantor issues, reissues, re-examinations, continuations, continuations-in-part or divisions thereof, and all proceeds thereof (hereinafter collectively referred to as the "Patents"). All unexpired patents and all currently pending patent applications in which the Grantor has an ownership interest are listed on Schedule A. The Grantor hereby further grants to the Collateral Agent for the ratable benefit of the Investors a valid security interest, having priority over all other security interests, in all of the right, title and interest of the Grantor in and to all proceeds, income, royalties, damages and payments now or hereafter due and payable under or in respect of the Patents and in and to all rights during the term of this Agreement to sue, collect and retain damages and payments for past or future infringements of the Patents.

(b) **Security Interest in Trademarks.** To secure the full and prompt payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, the Grantor hereby grants to the Collateral Agent for the ratable benefit of

the Investors a valid security interest in all of its right, title and interest in the United States and throughout the world in, to and under all of its now owned and hereafter acquired trademarks, service marks and trade names, and all similar designations of source or origin (whether or not such name is the subject of a registration or an application therefor), and all registrations and applications to register the same (other than applications based on intent to use where no affidavit of use has yet been filed), and all renewals thereof, and the goodwill of the business relating thereto, and all proceeds thereof (hereinafter collectively referred to as the "Trademarks"). All trademark registrations and all currently pending trademark applications in which the Grantor has an ownership interest and all foreign trademark registrations and all currently pending trademark applications in which the Grantor has an ownership interest, are listed on Schedule B. The Grantor hereby further grants to the Collateral Agent for the ratable benefit of the Investors a valid security interest in all of its right, title and interest in and to (i) all proceeds, income, royalties, damages and payments now and hereafter due and payable under or in respect of the Trademarks, (ii) all rights during the term of this Agreement to sue, collect and retain for the Investors' benefit damages and payments for past or future infringements of the Trademarks and (iii) all rights under or ownership interest in any trademark license agreements or service mark license agreements with any other party, whether the Grantor is a licensee or licensor under any such license agreement, except such license agreements for which consent is required from a third party to grant such security interest and which has not been obtained, copies of which license agreements will be furnished by the Grantor to the Collateral Agent for the ratable benefit of the Investors upon the Collateral Agent's request.

(c) Security Interest in Copyrights. To secure the full and prompt payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, the Grantor hereby grants to the Collateral Agent for the ratable benefit of the Investors a valid security interest in all of its right, title and interest in the United States and throughout the world in, to and under all of its now owned and hereafter acquired copyrights, and all registrations and applications to register the same, all renewals thereof, any written agreement, naming the Grantor as licensor or licensee, granting any right under any copyright, any work which is or may be subject to copyright protection pursuant to Title 17 of the United States Code, and all physical things embodying such works (including, without limitation, copies thereof) created or otherwise used in the business of the Grantor, and all proceeds thereof (hereinafter collectively referred to as the "Copyrights"). All copyright registrations and all currently pending copyright applications in which the Grantor has an ownership interest are listed on Schedule C. The Grantor hereby further grants to the Collateral Agent for the ratable benefit of the Investors a valid security interest in all of its right, title and interest in and to all proceeds, income, royalties, damages and payments now and hereafter due and payable under or in respect of the Copyrights and in and to all rights during the term of this Agreement to sue, collect and retain for the Grantor's benefit damages and payments for past or future infringements of the Copyrights.

(d) Security Interest in Proprietary Information. To secure the full and prompt payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, the Grantor hereby grants to the Collateral Agent for the ratable benefit of the Investors a valid security interest in all of its right, title and interest in the United States and throughout the world in, to and under all of its now owned and hereafter acquired inventions, discoveries, trade secrets, improvements, processes, methods, formulae,

applications, ideas, know-how, customer lists, corporate and other business records, license rights, advertising materials, operating manuals, sales literature, drawings, specifications, descriptions, name plates, catalogues, dealer contracts, supplier contracts, distributor agreements, confidential information, consulting agreements, engineering contracts, proprietary information, and goodwill (and all other assets which uniquely reflect such goodwill), and to all income, royalties, damages and payments now and hereafter due or payable therefor or in respect thereof and all proceeds thereof (collectively, the "Proprietary Information" and, together with the Patents, the Trademarks, the Copyrights and all other assets described above, the "Intellectual Property Collateral").

(e) Certain Exclusions from Grant of Security Interests. Anything in this Agreement to the contrary notwithstanding, the foregoing grant of security interests shall not extend to, and the term "Copyrights" shall not include, any item of Copyrights described in Section 1(c) above that is now or hereafter held by the Grantor as licensee or otherwise, solely in the event and to the extent that: (i) as the proximate result of the foregoing grant, assignment, transfer, or conveyance of security interests, the Grantor's rights in or with respect to such item of Copyrights would be forfeited or would become void, voidable, terminable, or revocable, or if the Grantor would be deemed to have breached, violated, or defaulted the underlying license or other agreement that governs such item of Copyrights pursuant to the restrictions in the underlying license or other agreement that governs such item of Copyrights; (ii) any such restriction shall be effective and enforceable under applicable law, including Section 9-406(d) of Title 17 of the United States Code; and (iii) any such forfeiture, voidness, voidability, terminability, revocability, breach, violation, or default cannot be remedied or prevented by the Grantor using its best efforts to do so; provided, however, that the foregoing grant, assignment, transfer, and conveyance of security interests shall extend to, and the term "Copyrights" shall include, (A) any and all proceeds of such item of Copyrights and (B) upon any such licensor's or other applicable party's consent with respect to any such otherwise excluded item of Copyrights being obtained, thereafter such item of Copyrights as well as any proceeds thereof that might theretofore have been excluded from such grant of security interests.

## **SECTION 2. Representations, Warranties and Covenants of the Grantor.**

(a) The Grantor is and will continue to be the owner of all of the Intellectual Property Collateral, free from any adverse claim or Lien in favor of any Person except for the Lien granted under the Loan Documents and the Lien granted under the Senior Subordinated Loan Agreement in favor of the Collateral Agent (as defined in the Senior Subordinated Loan Agreement).

(b) None of the Intellectual Property Collateral is or shall become subject to any Lien in favor of any Person other than the Lien of the Investors, the Lien granted under the Senior Subordinated Loan Agreement in favor of the Collateral Agent, and the Grantor agrees not to license, transfer, convey or otherwise encumber any interest in or to its Intellectual Property Collateral. Notwithstanding the foregoing, the Grantor shall be permitted to license (on a non-exclusive basis) any of its Trademarks in the ordinary course of business to (i) third parties for the sole purpose of manufacturing, marketing, advertising, distributing or selling goods or (ii) third parties that do not manufacture, market, advertise, distribute, or sell goods in the United States or to others for sale in the United States. Any license of the Intellectual Property

Collateral granted by the Grantor after the effective date of the Note Purchase Agreement (each, a "License") shall be in writing and shall not prohibit the Grantor from assigning, transferring, selling, sublicensing or otherwise disposing of all or any of its right, title and interest thereunder to the Collateral Agent for the ratable benefit of the Investors or its designees in accordance with Section 4 hereof.

(c) The Grantor has made no previous assignment, transfer or agreement in conflict herewith or constituting a present or future assignment, transfer, or encumbrance of any of its Intellectual Property Collateral.

(d) There is no financing statement or other document or instrument now signed or on file in any public office granting a Lien on or otherwise encumbering any part of the Intellectual Property Collateral, except those showing the Collateral Agent for the ratable benefit of the Investors as secured party. So long as any Obligations or Letters of Credit remain outstanding, the Grantor will not execute, and there will not be on file in any public office, any such financing statement or other document or instruments, except financing statements filed or to be filed in favor of the Collateral Agent for the ratable benefit of the Investors and except for the grant of any license permitted hereunder.

(e) Subject to any limitation stated therein or in connection therewith, all information furnished to the Collateral Agent for the ratable benefit of the Investors concerning the Intellectual Property Collateral and proceeds thereof is and will be accurate and correct in all material respects.

(f) All Intellectual Property Collateral consisting of applications for Patents and for registrations of Trademarks and Copyrights has been duly and properly filed and all Intellectual Property Collateral consisting of issued or granted Patents and of registrations of Trademarks and Copyrights (including, without limitation, any and all renewals, reissues, continuations or divisions thereof, as the case may be) has been duly and properly maintained.

(g) During the term of this Agreement, the Grantor shall quarterly, or more frequently as the Collateral Agent for the ratable benefit of the Investors shall request, provide written notice to the Collateral Agent identifying: (i) all United States patent applications filed by it or patents issued to it or acquired by it during the prior calendar quarter or preceding period, as the case may be, (ii) all trademark applications filed by it or trademark registrations issued to it or acquired by it during the prior calendar quarter or preceding period, as the case may be, and (iii) all United States copyright applications filed by it or copyright registrations issued to it or acquired by it during the prior calendar quarter or preceding period, as the case may be. The Grantor authorizes the Collateral Agent for the ratable benefit of the Investors to take all actions necessary or appropriate to perfect a security interest in such future Patents, Trademarks or Copyrights including, without limitation, unilaterally amending Schedule A, B or C to include such future Patents, Trademarks or Copyrights, and the Collateral Agent for the ratable benefit of the Investors agrees to promptly notify the Grantor after taking any such action, provided that the failure of the Collateral Agent for the ratable benefit of the Investors to notify the Grantor shall not limit or otherwise affect any action taken by the Collateral Agent for the ratable benefit of the Investors. The Grantor shall, at the Collateral Agent's request, execute and

deliver to the Collateral Agent any documentation as may reasonably be required to perfect such security interest in such future Patents, Trademarks or Copyrights.

(h) The Grantor shall not take any action, or permit any action to be taken by others subject to the Grantor's control, including any licensees, or fail to take any action, or permit others subject to the Grantor's control, including any licensees, to fail to take any action which would, in the case of any such actions or failures to act taken singly or together, adversely affect the validity, grant or enforceability of the security interest granted to the Collateral Agent for the ratable benefit of the Investors herein.

(i) The Grantor shall (i) promptly notify the Collateral Agent for the ratable benefit of the Investors, in writing, of any suit, action, proceeding, claim or counterclaim brought against the Grantor that could affect adversely the Intellectual Property Collateral, (ii) on request, deliver to the Collateral Agent for the ratable benefit of the Investors a copy of all pleadings, papers, orders or decrees theretofore and thereafter filed in any such suit, action or proceeding, and (iii) keep the Collateral Agent for the ratable benefit of the Investors duly advised in writing of the progress of any such suit.

(j) If requested by the Collateral Agent for the ratable benefit of the Investors, the Grantor shall provide the Collateral Agent with a complete report with respect to its Intellectual Property Collateral and all licenses thereof granted by the Grantor. Upon request by the Collateral Agent for the ratable benefit of the Investors, the Grantor shall deliver to the Collateral Agent copies of any such Intellectual Property Collateral and other documents concerned with or related to the prosecution, protection, maintenance, enforcement and issuance of the Intellectual Property Collateral.

(k) The Grantor shall notify the Collateral Agent for the ratable benefit of the Investors in writing at its address and in the manner set forth in Section 10.7 of the Note Purchase Agreement at least thirty days prior to any proposed voluntary abandonment of any of its Intellectual Property Collateral and obtain the prior written consent of the Collateral Agent for the ratable benefit of the Investors thereto, provided that the Collateral Agent for the ratable benefit of the Investors' consent shall not be required where such abandonment could not reasonably be expected to have a Material Adverse Effect.

(l) During the term of this Agreement, the Grantor agrees:

(i) whenever any of the registered Trademarks is used by or on behalf of the Grantor, to affix or cause to be affixed a notice that the mark is a registered trademark or service mark, which notice shall be in a form accepted or required by the trademark marking laws of each country in which the mark is so used and registered; and

(ii) whenever any of the underlying works covered by registered Copyrights is published or distributed by or on behalf of the Grantor, to affix or cause to be affixed a notice that such underlying works are so covered, which notice shall be in a form accepted or required by the copyright laws of such



country in which such underlying works are so published or distributed and registered.

(m) Subject to the provisions of Section 4(f), all income, royalties, payments and damages due and payable to the Grantor under or in respect of the Intellectual Property Collateral shall be paid to the Grantor.

(n) The Grantor agrees, upon the request by the Collateral Agent for the ratable benefit of the Investors, during the term of this Agreement:

(i) to execute, acknowledge and deliver all additional instruments and documents necessary to effect the purposes and intents of this Agreement, in a form acceptable to counsel for the Collateral Agent for the ratable benefit of the Investors; and

(ii) to do all such other acts as may be necessary to carry out the purposes and intents of this Agreement, and to create, evidence, perfect (except to the extent not perfectible pursuant to the laws of the relevant country, jurisdiction or territory) and continue the security interests of the Investors in the Intellectual Property Collateral.

Without limiting the generality of the foregoing, the Grantor:

(A) authorizes the Collateral Agent for the ratable benefit of the Investors, in the Collateral Agent's sole discretion, to modify this Agreement without first obtaining the Grantor's approval of or signature to such modification by amending Schedule A, B or C hereto to include a reference to any right, title or interest in any existing Patent, Trademark or Copyright acquired or developed by the Grantor after the execution hereof, or to delete any reference to any right, title or interest in any Patent, Trademark or Copyright in which the Grantor no longer has or claims any right, title or interest; and

(B) hereby authorizes the Collateral Agent for the ratable benefit of the Investors, in the Collateral Agent's sole discretion, to file one or more financing or continuation statements or other notices of security interest, and amendments thereto, relative to all or any portion of the Intellectual Property Collateral without the signature of the Grantor where permitted by law.

(o) The Grantor represents and warrants to the Collateral Agent for the ratable benefit of the Investors that:

(i) the security interests granted to the Collateral Agent for the ratable benefit of the Investors hereunder in United States patents and patent applications (the "U.S. Patents") and in the United States trademark registrations and applications (the "U.S. Trademarks"), upon the filing of appropriate filings with the United States Patent and Trademark Office (the "PTO") and appropriate

financing statements under the Code, shall constitute first priority, perfected security interests in the U.S. Patents and U.S. Trademarks; provided, however, that recordation, filing or registration of such security interests may be required to perfect such security interest in U.S. Patents and U.S. Trademarks acquired by the Grantor after the date hereof;

(ii) the security interest granted to the Collateral Agent for the ratable benefit of the Investors hereunder in the registered Copyrights and Copyright applications (the "U.S. Copyrights"), upon the filing of appropriate filings with the United States Copyright Office and appropriate financing statements under the Code, shall constitute a first priority, perfected security interest in the U.S. Copyrights; provided, however, that recordation, filing or registration of such security interest may be required to perfect such security interest in U.S. Copyrights acquired by the Grantor after the date hereof; and

(iii) the security interest granted to the Collateral Agent for the ratable benefit of the Investors hereunder in the Proprietary Information located in the United States, upon the filing of any appropriate filings with the PTO or the United States Copyright Office and appropriate financing statements under the Code, shall constitute a first priority, perfected security interest in such Proprietary Information, to the extent that a first priority security interest can be created through such filings; provided, however, that recordation, filing or registration of such security interest may be required to perfect such security interest in the Proprietary Information acquired by the Grantor after the date hereof.

**SECTION 3. Indemnity.** The Grantor agrees to indemnify the Collateral Agent for the ratable benefit of the Investors from and against any and all claims, losses and liabilities arising out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement and any actions taken pursuant to Section 4 or any failure to act thereunder), except for claims, losses or liabilities directly resulting from the bad faith, gross negligence or willful misconduct of the Investors.

**SECTION 4. Rights and Remedies Upon an Event of Default.**

(a) If any Event of Default shall have occurred and be continuing, then and in every such case, the Collateral Agent for the ratable benefit of the Investors, in addition to the other rights and remedies provided for herein and any rights now or hereafter existing under applicable law, shall have all rights and remedies as a secured creditor under the Code in all relevant jurisdictions and may:

(i) personally, or by agents or attorneys, immediately take possession of the Intellectual Property Collateral or any part thereof, from the Grantor or any other Person who then has possession of any part thereof, with or without notice or process of law, and for that purpose may enter upon the Grantor's premises where any of the Intellectual Property Collateral is located and

remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of the Grantor; and

(ii) sell, assign or otherwise dispose of, or direct the Grantor to sell, assign or otherwise dispose of, any or all of the Intellectual Property Collateral or any part thereof, and take possession of the proceeds of any such sale, assignment or disposition.

(b) Any collateral repossessed by the Collateral Agent for the ratable benefit of the Investors under or pursuant to Section 4(a) and any other Intellectual Property Collateral whether or not so repossessed by the Investors may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Investors may determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceedings permitted by such requirements shall be made upon not less than ten days' written notice to the Grantor. Any such disposition which shall be a public sale permitted by such requirements shall be made upon not less than ten days' written notice to the Grantor specifying the time and place of such sale and, in the absence of applicable requirements of law, shall be by public auction (which may, at the option of the Investors, be subject to reserve), after publication of notice of such auction not less than ten days prior thereto in two newspapers in general circulation in the jurisdiction in which such auction is to be held. To the extent permitted by any such requirement of law, the Collateral Agent for the ratable benefit of the Investors may bid for and become the purchaser of the Intellectual Property Collateral or any item thereof offered for sale in accordance with this Section without accountability to the Grantor (except to the extent of surplus money received). If the Collateral Agent for the ratable benefit of the Investors shall be required to make disposition of the Intellectual Property Collateral within a period of time which does not permit the giving of notice to the Grantor as hereinabove specified, the Collateral Agent for the ratable benefit of the Investors need give the Grantor only such notice of disposition as shall be reasonably practicable. The Collateral Agent for the ratable benefit of the Investors shall not be obligated to make any sale of Intellectual Property Collateral regardless of notice of sale having been given. The Collateral Agent for the ratable benefit of the Investors may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(c) The Collateral Agent for the ratable benefit of the Investors shall have the right at any time to make any payments and do any other acts the Collateral Agent may deem necessary to protect its Lien on the Intellectual Property Collateral, including, without limitation, the rights to pay, purchase, contest or compromise any Lien which appears to be prior to or superior to the Lien granted hereunder, and appear in and defend any action or proceeding purporting to affect its security interests in, or the value of, the Intellectual Property Collateral. The Grantor hereby agrees to reimburse the Collateral Agent for the ratable benefit of the Investors for all payments made and expenses incurred under this subsection (c) including reasonable fees, expenses and disbursements of attorneys and paralegals acting for the Collateral Agent for the ratable benefit of the Investors, including any of the foregoing payments under, or acts taken to protect its security interests in, the Intellectual Property Collateral, which amounts

shall be secured under this Agreement, and agrees that it shall be bound by any payment made or act taken by the Collateral Agent for the ratable benefit of the Investors hereunder absent the Collateral Agent's bad faith, gross negligence or willful misconduct. The Collateral Agent for the ratable benefit of the Investors shall have no obligation to make any of the foregoing payments or perform any of the foregoing acts.

(d) The Grantor hereby irrevocably authorizes and appoints the Collateral Agent for the ratable benefit of the Investors, or any Person or agent the Investors may designate, as the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, at the Grantor's cost and expense, in the Collateral Agent's discretion, to, upon the occurrence and during the continuance of an Event of Default, take any action and to execute any instrument that the Collateral Agent for the ratable benefit of the Investors may deem necessary to accomplish the purposes and intents of this Agreement and to exercise all of the following powers, which powers, being coupled with an interest, shall be irrevocable until all of the Obligations shall have been indefeasibly paid and satisfied in full:

(i) ask for, demand, collect, bring suit, recover, compromise, administer, accelerate or extend the time of payment, issue credits, compromise, receive and give acquittance and receipts for money due and to become due under or in respect of any of the Intellectual Property Collateral;

(ii) receive, take, endorse, negotiate, sign, assign and deliver and collect any checks, notes, drafts or other instruments, documents and chattel paper, in connection with clause (i) above;

(iii) receive, open and dispose of all mail addressed to the Grantor and notify postal authorities to change the address for delivery thereof to such address as the Collateral Agent for the ratable benefit of the Investors may designate;

(iv) give customers indebted on the Intellectual Property Collateral notice of the Investors' interest therein, instruct such customers to make payment directly to the Collateral Agent for the ratable benefit of the Investors for the Grantor's account or request, at any time from customers indebted on the Intellectual Property Collateral, verification of information concerning the Intellectual Property Collateral and the amounts owing thereon;

(v) convey any item of Intellectual Property Collateral to any purchaser thereof;

(vi) record any instruments under Section 2(g);

(vii) make any payments or take any acts under Section 4(c); and

(viii) file any claims or take any action or institute any proceedings that the Collateral Agent for the ratable benefit of the Investors may deem necessary for the collection of any of the Intellectual Property Collateral or

otherwise to enforce the rights of the Investors with respect to any of the Intellectual Property Collateral.

The Collateral Agent for the ratable benefit of the Investors' authority under this Section shall include, without limitation, the authority to execute and give receipt for any certificate of ownership or any document, transfer title to any item of Intellectual Property Collateral, sign the Grantor's name on or any documents necessary to preserve, protect or perfect the security interest in the Intellectual Property Collateral and to file the same, prepare, file and sign the Grantor's name on any notice of lien, assignment or satisfaction of lien or similar document in connection with any Intellectual Property Collateral and prepare, file and sign the Grantor's name on a proof of claim in bankruptcy or similar document against any obligor of the Grantor, and to take any other actions arising from or incident to the rights, powers and remedies granted to the Investors in this Agreement. This power of attorney is coupled with an interest and is irrevocable by the Grantor.

(e) All cash proceeds received by the Collateral Agent for the ratable benefit of the Investors in respect of any sale of, collection from, or other realization upon all or any part of the Intellectual Property Collateral shall be applied by the Investors against the Obligations in such order as the Investors may determine.

(f) Upon the occurrence and during the continuance of an Event of Default, all income, royalties, payments and damages under or in respect of the Intellectual Property Collateral, if any, received thereafter shall be held by the Grantor in trust for the benefit of the Investors, separate from the Grantor's own property or funds and immediately turned over to the Investors with proper assignments or endorsements. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent for the ratable benefit of the Investors shall have the right to notify payors of income, royalties, payments and damages under or in respect of the Intellectual Property Collateral to make payment directly to the Collateral Agent for the ratable benefit of the Investors.

(g) Each and every right, power and remedy hereby specifically given to the Collateral Agent for the ratable benefit of the Investors shall be in addition to every other right, power and remedy specifically given under this Agreement or under the other Loan Documents or now or hereafter existing at law or in equity, or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Collateral Agent for the ratable benefit of the Investors. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of the exercise of one shall not be deemed a waiver of the right to exercise any other right, power or remedy. No delay or omission of the Collateral Agent for the ratable benefit of the Investors in the exercise of any such right, power or remedy and no renewal or extension of any of the Obligations shall impair any such right, power or remedy or shall be construed to be a waiver of any Default or Event of Default or any acquiescence therein.

## SECTION 5. Miscellaneous Provisions.

(a) Notices. All notices and other communications hereunder shall be in writing and given in the manner and at the address set forth in Section 10.7 of the Note Purchase Agreement.

(b) Headings. The headings in this Agreement are for purposes of reference only and shall not affect the meaning or construction of any provision of this Agreement.

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

(d) Amendments, Waivers and Consents. Any amendment or waiver of any provision of this Agreement and any consent to any departure by the Grantor from any provision of this Agreement shall not be effective unless the same shall be in writing and signed by the Grantor and the Collateral Agent for the ratable benefit of the Investors and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(e) Interpretation. Time is of the essence in each provision of this Agreement of which time is an element. All terms not defined herein or in the Note Purchase Agreement shall have the meaning set forth in the Code, except where the context otherwise requires. To the extent a term or provision of this Agreement conflicts with the Note Purchase Agreement and is not dealt with herein with more specificity, the Note Purchase Agreement shall control with respect to the subject matter of such term or provision. Acceptance of or acquiescence in a course of performance rendered under this Agreement shall not be relevant in determining the meaning of this Agreement even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.

(f) Continuing Security Interest. This Agreement shall create a continuing Lien on the Intellectual Property Collateral and shall (i) remain in full force and effect until the indefeasible payment in full in cash of the Obligations, (ii) be binding upon the Grantor and its successors and assigns and (iii) inure, together with the rights and remedies of the Investors hereunder, to the benefit of the Investors and its successors, transferees and assigns and, in the case of the Collateral Agent, any successor or replacement collateral agent appointed by the Investors. Without limiting the generality of the foregoing clause (iii), the Investors may, in accordance with the terms of the Note Purchase Agreement, assign or otherwise transfer all or any portion of its rights and obligations under this Agreement to any other Person that is a successor to the Investors under the Note Purchase Agreement, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Investors herein or otherwise, in each case as provided in the Note Purchase Agreement.

(g) Reinstatement. To the extent permitted by law, this Agreement shall continue to be effective or be reinstated if at any time any amount received by the Collateral Agent for the ratable benefit of the Investors in respect of the Obligations is rescinded or must otherwise be restored or returned by the Collateral Agent for the ratable benefit of the Investors upon the occurrence or during the pendency of any bankruptcy, reorganization or other similar proceeding applicable to the Grantor or any other Person, or upon or during the occurrence of any dissolution, liquidation or winding up of the Grantor or any other Person, all as though such payments had not been made.

(h) Survival of Provisions. All representations, warranties and covenants of the Grantor contained herein shall terminate only upon the full and final payment in cash of the Obligations.

(i) Investors May Perform. If the Grantor fails to perform any agreement contained herein, the Collateral Agent for the ratable benefit of the Investors may itself perform, or cause performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by the Grantor and shall constitute Obligations secured by this Agreement. The Collateral Agent for the ratable benefit of the Investors agrees to notify the Grantor promptly after taking any action to perform or cause performance of the Grantor's obligations under this Agreement, provided that the failure to provide such notification shall not limit or otherwise affect any action taken or caused to be taken by the Collateral Agent for the ratable benefit of the Investors.

(j) GOVERNING LAW. THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER SOUNDING IN CONTRACT, TORT OR EQUITY OR OTHERWISE, SHALL BE GOVERNED BY THE INTERNAL LAWS AND DECISIONS OF THE STATE OF CONNECTICUT (AS OPPOSED TO THE CONFLICTS OF LAW PROVISIONS), EXCEPT TO THE EXTENT THAT FEDERAL LAW IS APPLICABLE.

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[signature page to Intellectual Property Security Agreement]

**IN WITNESS WHEREOF**, the Grantor has caused this Agreement to be executed by its duly authorized officer as of the day and year first above written.

**TIRO INDUSTRIES, LLC**

By: 

Name: Jeffrey S. Miti

Title: Vice President



Schedule A

Patents

US 5993792

System for customized hair products containing surfactants; first package containing an aqueous shampoo base includes an anionic or nonionic surfactant; second package containing a shampoo thickener

US 5972322

System for customized hair products; include a water-thin base composition, a thickening composition, and optional enhancing additives, wherein each composition is separately packaged

## Schedule B

Trademarks

Mark	Application No.	Reg. Number
Mane Street	791518	472523
Mane Street & Design	737148383	11119480
Mane Street (Stylized)	737710039	1735933
Mane Street	741687899	1976580
Sea Soaps & Design	566832	373717
Sea Soaps & Design	7272075	1032075
Sea Soaps & Design	73595772	1424520
Sunranc	737501519	1354826
Proteoglycan	73711468	511435
Proteoglycan	741675160	2009650
Mane Treatment	737712187	1521448
Nadeon (Stylized)	634150	463504
Nadeon (Stylized)	757783166	1600218
M Design	655811	225470
M	73709986	1510612
Citra Seal	741023138	1626372
Citra-Glaze	74053695	1861132
Citric	74054585	1799908
Pacific Spa	74293185	1804029
Body Advantage	74293183	1931868
4 Ever Clear	74385768	1822550
Body Elements	250589	250589
Body Elements	8521505	650687
Body Elements	74060214	1709085
Mane Sense	786486	296574
Mane Sense	74734131	1992648
Citra-ize	786487	296909
Citra-ize	74638988	1992673
100% Pure Goodness	809881	525628
100% Pure Goodness	75128695	2071248
4 Ever Clear	75576290	2278198
Citricine	1013096	
Citricine	751601762	
4 Ever Clear	1013095	
4 Ever Clear	1153345	1153345
4 Ever Clear	75601676	2453689
4 Ever Cool	1033376	
4 Ever Cool	75108165	2530338
4 Ever Cool	751979296	2449055
4 Ever Stiff	1033377	
4 Ever Stiff	75617605	2474228
Clancine	75901986	
Tiro	76408895	

Tiro	76/405607	
T. Design	76/408877	
Tiro & T. Design	76/408899	

Schedule C

Copyright Registrations

None.

304359

RECORDED: 12/18/2002

TRADEMARK  
REEL: 002648 FRAME: 0071