

2-1303

02-13-2003

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

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



102365310

To the Honorable Commissioner of Patents and Trademarks and original documents or copy thereof.

1. Name of conveying party(ies): Omnii Products of Palm Beach, Inc. 1500 North Florida Mango Road, Suite 1 West Palm Beach, FL 33409 [ ] Individual(s) [ ] Association [ ] General Partnership [ ] Limited Partnership [x] Corporation-State [ ] Other Additional name(s) of conveying party(ies) attached? [ ] Yes [x] No

2. Name and address of receiving party(ies) Name: FINOVA Mezzanine Capital Inc. Internal: Successor in interest to Address: Sirrom Investments, Inc. Street Address: 500 Church Street, Suite 200 City: Nashville State: TN Zip: 37219 [ ] Individual(s) citizenship [ ] Association [ ] General Partnership [ ] Limited Partnership [x] Corporation-State Tennessee [ ] Other If assignee is not domiciled in the United States, a domestic representative designation is attached: [ ] Yes [ ] No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? [ ] Yes [ ] No

3. Nature of conveyance: [ ] Assignment [ ] Merger [x] Security Agreement [ ] Change of Name [ ] Other Execution Date: 2/20/98

4. Application number(s) or registration number(s): A. Trademark Application No.(s) B. Trademark Registration No.(s) 1607064; 2252144; 2266444; 2277336; 2294700 Additional number(s) attached [x] Yes [ ] No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Philip S. Clark, Esq. Internal Address: FINOVA Mezzanine Capital Inc. Street Address: 500 Church Street, Suite 200 City: Nashville State: TN Zip: 37219

6. Total number of applications and registrations involved: 12 7. Total fee (37 CFR 3.41) \$ 315.00 [x] Enclosed [ ] Authorized to be charged to deposit account 8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature Philip S. Clark Name of Person Signing Signature Date 2-12-03 Total number of pages including cover sheet, attachments, and document: [ ]

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

02/13/2003 JJALLAH2 00000016 1607064

01 FC:8521 40.00 OP 02 FC:8522 275.00 OP

**4. (B) Trademark Registration continuation:**

2296752

2300756

2304703

2312958

2467807

2552943

2648998

**INTELLECTUAL PROPERTY  
SECURITY AGREEMENT**

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of February 20<sup>th</sup> 1998, is made by OMNII PRODUCTS OF PALM BEACH, INC., a Florida corporation (the "Grantor"), in favor of SIRROM INVESTMENTS, INC., a Tennessee corporation (the "Lender").

**RECITALS**

WHEREAS, pursuant to that certain Loan Agreement of even date herewith, (as amended, extended, modified, restructured or renewed from time to time, the "Loan Agreement") by and among Grantor and Lender, Lender has agreed to make a loan in the aggregate principal amount of \$3,000,000 (the "Loan") to Grantor evidenced by a Secured Promissory Note of even date herewith in the original principal amount of \$3,000,000 made and executed by Grantor payable to the order of Lender (together with any amendments, extensions, modifications and/or renewals thereof and/or any promissory notes given in payment thereof, the "Note");

WHEREAS, Grantor owns certain Intellectual Property listed on Schedule A hereto;

WHEREAS, Grantor desires to mortgage, pledge and grant to Lender, for the benefit of Lender, a security interest in all of its right, title and interest in, to and under the Collateral, including the property listed on the attached Schedule A, together with any renewal or extension thereof, and all Proceeds thereof, to secure the payment of the Obligations; and

WHEREAS, it is a condition precedent to the obligation of Lender to make the Loan to Grantor under the Loan Agreement, that Grantor execute this Agreement.

**AGREEMENT:**

NOW, THEREFORE, in consideration of the premises and to induce Lender to enter into the Loan Agreement and to induce Lender to make the Loan to Grantor under the Loan Agreement, Grantor hereby agrees with Lender, as follows:

1. Defined Terms. Unless otherwise defined herein, terms which are defined in the Loan Agreement and used herein are so defined as so defined, and the following terms shall have the following meanings:

"Collateral" has the meaning assigned to it in Section 2 of Security Agreement.

"Copyrights" means all types of protective rights granted (or applications therefor) for any work which constitutes copyrightable subject matter, including without limitation, literary works, musical works, dramatic works, pictorial, graphic and sculptural works, motion pictures and other audiovisual works, sound recordings, and architectural works, in any country of the world including, without limitation, any works referred to in Schedule A hereto.

"Copyright License" means any agreement material to the operation of Grantor's businesses, whether written or oral, providing for the grant by or to Grantor of any right to reproduce a copyrighted work, to prepare derivative works based on a copyrighted work, to distribute copies of a copyrighted work, to perform a copyrighted work or to display a copyrighted work, or to engage in any other legally protected activity with respect to a copyrighted work including, without limitation, any thereof referred to in Schedule A hereto.

"Intellectual Property" means all Patents, Patent Licenses, Trademark, Trademark Licenses, Copyright, Copyright Licenses, Trade Secrets, Inventions and Other Proprietary Property or Technology, and agreements relating thereto, including any and all improvements and future developments material to the operation of Grantor's businesses, as defined herein and/or referred to in Schedule A hereto.

"Invention" means any new and useful process, machine, manufacture or composition of matter, or any new and useful improvement thereof developed by Grantor, its employees or agents, whether or not the subject of a patent(s) or patent application(s).

"Know-how" means any knowledge or information which is material to Grantor's businesses and which enables Grantor to operate its businesses with the accuracy, efficiency or precision necessary for commercial success including, without limitation, such knowledge or information referred to in Schedule B hereto.

"Obligations" means the obligations secured hereby which shall include (a) loans to be made concurrently or in connection with this Agreement or the Loan Agreement as evidenced by one or more promissory notes payable to the order of Lender that shall be due and payable as set forth in such promissory notes, and any renewals or extensions thereof, (b) the full and prompt payment and performance of any and all other indebtedness and other obligations of Grantor to Lender, direct or contingent (including but not limited to obligations incurred as endorser, guarantor or surety), however evidenced or denominated, and however and whenever incurred, including but not limited to indebtedness incurred pursuant to any present or future commitment of Lender to Grantor and (c) all future advances made by Lender for taxes,

levies, insurance and preservation of the Collateral and all attorney's fees, court costs and expenses of whatever kind incident to the collection of any of said indebtedness or other obligations and the enforcement and protection of the security interest created hereby.

"Other Proprietary Property" means all types of protectable intangible property rights other than Patents, Trademarks and Copyrights, including without limitation, Trade Secrets, Know-how, computer software and the like, including, without limitation, all such rights referred to in Schedule B hereto.

"Patents" means all types of exclusionary or protective rights granted (or applications therefor) for inventions in any country of the world (including, without limitation, letters patent, plant patents, utility models, breeders' right certificates, inventor's certificates and the like), and all reissues and extensions thereof and all provisionals, divisions, continuations and continuations-in-part thereof, including, without limitation, all such rights referred to in Schedule A hereto.

"Patent License" means any agreement material to the operation of Grantor's businesses, whether written or oral, providing for the grant by or to Grantor of any right to manufacture, use or sell any invention covered by a Patent, including, without limitation, any thereof referred to in Schedule A hereto.

"Proceeds:" means "proceeds," as such term is defined in Section 9-306(1) of the UCC and, to the extent not included in such definition, shall include, without limitation, (a) any and all proceeds of any insurance, indemnity, warranty, guaranty or letter of credit payable to Grantor, from time to time with respect to any of the Collateral, (b) all payments (in any form whatsoever) paid or payable to Grantor from time to time in connection with any taking of all or any part of the Collateral by any governmental authority or any Person acting under color of governmental authority), (c) all judgments in favor of Grantor in respect of the Collateral and (d) all other amounts from time to time paid or payable or received or receivable under or in connection with any of the Collateral.

"Security Agreement" means this Intellectual Property Security Agreement, as amended, supplemented or otherwise modified from time to time.

"Trade Secret" means any scientific or technical information, design, process, pattern, procedure, formula or improvement which is secret and of value including, without limitation, any such information referred to in Schedule B hereto.

"Trademarks" means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source of business identifiers used in any country in the world, whether registered or unregistered, and the goodwill associated therewith, now existing or hereafter acquired, and (b) all registrations, recordings and renewals thereof, and all applications in connection therewith, issued by or filed in a national, state or local governmental authority of any country, including, without limitation, all such rights referred to in Schedule A hereto.

"Trademark License" means any agreement, material to the businesses of Grantor, written or oral, providing for the grant or to Grantor of any right to use any Trademark, including, without limitation, any thereof referred to in Schedule A hereto.

"UCC" means the Uniform Commercial Code as from time to time in effect in the State of Tennessee.

2. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the obligations, Grantor hereby assigns and grants to Lender for the benefit of Lender a security interest in all of Grantor's right, title and interest in and to the Intellectual Property now owned or at any time hereafter acquired by Grantor or in which Grantor may have or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), including all proceeds and products of any and all of the Intellectual Property, whether or not included in Schedule A or Schedule B.

3. Representations and Warranties Concerning the Intellectual Property. Grantor represents and warrants that:

(a) Intellectual Property. Schedules A and B hereto include all Intellectual Property owned by Grantor in its own name or as to which Grantor has any colorable claim of ownership that are material to the businesses of Grantor as of the date hereof.

(b) Ownership. Grantor is the sole legal and beneficial owner of the entire right, title and interest in and to the Intellectual Property, and/or has the unrestricted right to use all such Intellectual Property pursuant to a valid license or other agreement.

(c) Rights. Grantor's rights in and to the Intellectual Property are valid, subsisting, unexpired, enforceable and have not been abandoned.

(d) Licenses, etc. All licenses, franchise agreements and other agreements conveying rights in and to the

Intellectual Property are identified on Schedules A and B hereto and are in full force and effect. To the best knowledge of Grantor, Grantor is not in default under any such agreement, and no event has occurred which might constitute a default by Grantor under any such agreement.

(e) No Liens. Except as set forth in Schedules A and B, all of the Intellectual Property is free and clear of any and all liens, security interests, options, licenses, pledges, assignments, encumbrances and/or agreements of any kind, and Grantor has not granted any release, covenant not to sue, or non-assertion assurance to any third party with respect to any of the Intellectual Property.

(f) Valid Transfers. All prior transfers and assignments of the interests of any and all predecessors in the Intellectual Property of Grantor were duly and validly authorized, executed, delivered, recorded and filed as required to vest Grantor with complete, unrestricted ownership rights therein.

(g) No Assignment. Grantor has not, within the three months prior to the date of execution of this Agreement, executed and/or delivered any assignment, transfer or conveyance of any of the Intellectual Property, recorded or unrecorded.

(h) No Proceedings. No proceedings have been instituted or are pending or, to Grantor's knowledge, threatened that challenge Grantor's rights to use the Intellectual Property, or to register or maintain the registration of the Intellectual Property. No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or question the validity of any of the Intellectual Property. No action or proceeding is pending (i) seeking to limit, cancel or question the validity of any of the Intellectual Property or Grantor's ownership thereof or (ii) which, if adversely determined, would reasonably be likely to have a material adverse effect on the value of any of the Intellectual Property.

(i) No Infringement. To the best of Grantor's knowledge, the current conduct of Grantor's business and Grantor's rights in and to all of the Intellectual Property do not conflict with or infringe any proprietary right of any third party in any way which adversely affects the business, financial condition or business prospects of Grantor. Further, except as set forth in Schedules A and B, Grantor is not aware of any claim by any third party that such conduct or such rights conflict with or infringe any valid proprietary right of any third party in any way which affects the business, financial condition or business

prospects of Grantor. Grantor is not making and has not made use of any confidential information of any third party except pursuant to the express agreement of such third party.

(j) Prevention of Infringement. Grantor is unaware of any infringement by any other party upon its Intellectual Property rights. Grantor has heretofore exerted, continues and affirmatively covenants that it will hereafter continue to exert commercially reasonable efforts to prevent any infringement by third parties of Grantor's Intellectual Property rights or any theft of Grantor's Intellectual Property at Grantor's sole cost.

(k) Inventions. All past and present employees of Grantor and/or parties with whom Grantor (including any predecessor-in-interest of Grantor) had any contractual relationship ("contractors"), whose employment (or contractual) functions included or affected research and development or other material aspects of Intellectual Property have executed agreements requiring them to disclose to Grantor any and all inventions created or developed during and within the scope of their employment by or contractual relationship with Grantor and obligating them to assign all of their respective right, title and interest in and to all such inventions to Grantor.

4. Covenants. Grantor covenants and agrees with Lender that, from and after the date of this Security Agreement until the Obligations are paid in full:

(a) Further Documentation. From time to time, upon the written request of Lender, and at the sole expense of Grantor, Grantor will promptly and duly execute and deliver such further instruments and documents and take such further action as Lender may reasonably request for the purpose of obtaining or preserving the full benefits of this Security Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the UCC in effect in any jurisdiction with respect to the liens created hereby. Grantor also hereby authorizes Lender to file any such financing or continuation statement without the signature of Grantor to the extent permitted by applicable law. A carbon, photographic or other reproduction of this Security Agreement shall be sufficient as a financing statement for filing in any jurisdiction.



(b) Limitation on Lien on Collateral. Grantor will not create, incur or permit to exist, will take all commercially reasonable actions to defend the Collateral against, and will take such other commercially reasonable action as is necessary to remove, any lien or claim on or to the Collateral, other than the liens created hereby, and other than as permitted pursuant to the Loan Agreement, and will take all commercially reasonable actions to defend the right, title and interest of Lender in and to any of the Collateral against the claims and demands of all persons whomsoever.

(c) Limitations on Dispositions of Collateral. Grantor will not sell, transfer, license or otherwise dispose of any of the Collateral, or attempt, offer or contract to do so except as permitted in the Loan Agreement.

(d) Notices. Grantor will advise Lender promptly, in reasonable detail, at its address set forth in the Loan Agreement, (i) of any lien (other than liens created hereby or permitted under the Loan Agreement) on, or claim asserted against, the Collateral and (ii) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the liens created hereunder.

(e) Intellectual Property.

(i) Grantor (either itself or through licensees) will, except with respect to any Trademark that Grantor shall reasonably determine is of immaterial economic value to it or otherwise reasonably determines not to do so, (A) continue to use each Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (B) maintain as in the past the quality of products and services offered under such Trademark, (C) use reasonable efforts to employ such Trademark with the appropriate notice of registration, (D) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless within 30 days after such use or adoption Lender, for its benefit, shall obtain a perfected security interest in such mark pursuant to this Security Agreement, and (E) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any Trademark may become invalidated.

(ii) Grantor will not, except with respect to any Patent that Grantor shall reasonably determine is of immaterial economic value to it or otherwise reasonably determine so to do, do any act, or omit to do any act, whereby any Patent may become abandoned or dedicated. Without the prior written consent of Lender, Grantor shall not abandon any right to file a patent application, or abandon any pending patent application or patent.

(iii) Grantor will promptly notify Lender if it knows, or has reason to know, that any application relating to any Patent, Trademark or Copyright may become abandoned or dedicated, or of any adverse determination or material development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark office or any court or tribunal in any country) regarding Grantor's ownership of any Patent, Trademark or Copyright, or its right to register the same or to keep and maintain the same.

(iv) Whenever Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for any Patent or for the registration of any Trademark or Copyright with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, Grantor shall report such filing to Lender within five business days after the filing. Upon request of Lender, Grantor shall execute and deliver any and all reasonably necessary agreements, instruments, documents, and papers as Lender may request to evidence Lender's security interest in any newly filed Patent, Copyright or Trademark and the goodwill and general intangibles of Grantor relating thereto or represented thereby, and each Grantor hereby constitutes Lender its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Obligations are paid in full.

(v) Grantor, except with respect to any Patent, Trademark or Copyright Grantor shall reasonably determine is of immaterial economic value to it or it otherwise reasonably determines not to so do, will take all reasonable and necessary steps, including, without limitation, in any proceedings before any tribunal, office or agency in any other country or any political subdivision thereof, to maintain and pursue each

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application (and to obtain the relevant registration or Patent) and to maintain each Patent and each registration of Trademarks and Copyrights, including, without limitation, filing of applications, applications for reissue, renewal or extensions, the payment of maintenance fees, participation in reexamination, opposition and infringement proceedings, and the filing of renewal applications, affidavits of use and affidavits of incontestability, when appropriate. Any expenses incurred in connection with such activities shall be paid by Grantor.

(vi) In the event Grantor knows or has reason to know that any Patent, Trademark or Copyright included in the Collateral is infringed, misappropriated or diluted by a third party, Grantor shall promptly notify Lender after it learns thereof and shall, unless Grantor shall reasonably determine that such Patent or Trademark is of immaterial economic value to Grantor which determination Grantor shall promptly report to Lender, promptly sue for infringement, misappropriation or dilution, or take such other actions as Grantor shall reasonably deem appropriate under the circumstances to protect such Patent, Trademark or Copyright.

(vii) Grantor will furnish to Lender each year in connection and at the time of delivery of Grantor's annual financial statements in accordance with the Loan Agreement, statements, schedules and an inventory identifying and describing the Collateral, including without limitation, all Intellectual Property acquired subsequent to the date of this agreement and not identified on Schedule A, all transfers, assignments, licenses or sub-licenses of the Collateral by Grantor, and such other information in connection with the Collateral as Lender may reasonably request, all in reasonable detail. Any such Intellectual Property shall automatically become part of the Collateral upon acquisition or creation thereof by Grantor.

5. Lender's Appointment as Attorney-in-Fact.

(a) Powers. Grantor hereby irrevocably constitutes and appoints Lender and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Grantor and in the name of Grantor or in its own name, from time to time after the occurrence, and during the continuation of, an Event of Default in Lender's discretion, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to

accomplish the purposes of this Security Agreement, and, without limiting the generality of the foregoing, Grantor hereby gives Lender the power and right, on behalf of Grantor without notice to or assent by Grantor, to do the following:

(i) at any time when any Event of Default shall have occurred and is continuing in the name of Grantor or its own name, or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under, or with respect to, any Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Lender for the purpose of collecting any and all such moneys due with respect to such Collateral whenever payable;

(ii) to pay or discharge taxes and liens levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Security Agreement and to pay all or part of the premiums therefor and the costs thereof; and

(iii) (a) to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to Lender or as Lender shall direct, (b) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral, (c) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral, (d) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral, (e) to defend any suit, action or proceeding brought against Grantor with respect to any Collateral, (f) to settle, compromise or adjust any suit, action or proceeding described in the preceding clause and, in connection therewith, to give such discharges or releases as Lender may deem appropriate, (g) to assign any Trademark (along with goodwill of the business to which such Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as Lender shall in its sole discretion determine, and (h) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral

as fully and completely as though Lender were the absolute owner thereof for all purposes, and to do, at Lender's option and Grantor's expense, at any time, or from time to time, all acts and things which Lender deems necessary to protect, preserve or realize upon the Collateral and the liens of Lender thereon and to effect the intent of this Security Agreement, all as fully and effectively as Grantor might do. Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

(b) Other Powers. Grantor also authorizes Lender, at any time and from time to time, to execute, in connection with the sale provided for in Section 8 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(c) No Duty on the Part of Lender. The powers conferred on Lender hereunder are solely to protect the interests of Lender in the Collateral and shall not impose any duty upon Lender to exercise any such powers. Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its partners, officers, directors, employees or agents shall be responsible to Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct or failure to comply with mandatory provisions of applicable law.

6. Performance by Lender of Grantor's Obligations. If Grantor fails to perform or comply with any of its agreements contained herein and Lender, as provided for by the terms of this Security Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of Lender incurred in connection with such performance or compliance, together with interest thereon at the highest default rate provided in the Note, shall be payable by Grantor to Lender on demand and shall constitute Obligations secured hereby.

7. Proceeds. It is agreed that if an Event of Default shall occur and be continuing (a) all Proceeds received by Grantor consisting of cash, checks and other cash equivalents shall be held by Grantor in trust for Lender, segregated from other funds of Grantor, and shall, forthwith upon receipt by Grantor, be turned over to Lender in the exact form received by Grantor (duly endorsed by Grantor to Lender, if required), and (b) any and all such Proceeds received by Lender (whether from Grantor or otherwise) shall promptly be applied by Lender against, the Obligations (whether matured or unmatured), such application to be in such order as set forth in the Loan Agreement. Any balance of such Proceeds remaining after the

Obligations shall have been paid in full shall be paid over to Grantor or to whomsoever may be lawfully entitled to receive the same.

8. Remedies. If an Event of Default shall occur and be continuing, Lender, may exercise, in addition to all other rights and remedies granted to it in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, Lender without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon Grantor or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any office of Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or on future delivery without assumption of any credit risk. Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Grantor, which right or equity is hereby waived or released. Grantor further agrees, at Lender's request, to assemble the Collateral and make it available to Lender at places which Lender shall reasonably select, whether at Grantor's premises or elsewhere. Lender shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of Lender hereunder, including, without limitation, reasonable attorneys' fees and disbursements, the payment in whole or in part of the Obligations, in such order as Lender may elect, and only after such application and after the payment by Lender of any other amount required by any provision of law, including, without limitation, Section 9-4(1)(c) of the UCC, need Lender account for the surplus, if any, to Grantor. To the extent permitted by applicable law, Grantor waives all claims, damages and demands it may acquire against Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of the Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition. Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the

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fees and disbursements of any attorneys employed by Lender to collect such deficiency.

9. Limitation on Duties Regarding Preservation of Collateral. Lender's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as Lender would deal with similar property for its own account. Neither Lender nor any of its partners, directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Grantor or otherwise.

10. Powers Coupled with an Interest. All authorizations and agencies herein contained with respect to the Collateral are irrevocable and powers coupled with an interest.

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

12. Section Headings. The section headings used in this Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

13. No Waiver: Cumulative Remedies. Lender shall not by any act (except by a written instrument pursuant to Section 14 hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by Lender of any right or remedy hereunder on any occasion shall not be construed as a bar to any right or remedy which Lender would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

14. Waivers and Amendments: Successors and Assigns. None of the terms or provisions of this Security Agreement may be waived, amended, supplemented or otherwise modified except by a written

Instrument executed by Grantor and Lender, provided that any provision of this Security Agreement may be waived by Lender in a written letter or agreement executed by Lender or by facsimile transmission from Lender. This Security Agreement shall be binding upon the successors and assigns of Grantor and shall inure to the benefit of Lender and its successors and assigns.

15. Notices. All notices, requests and demands to or upon Grantor or Lender to be effective shall be in writing or by telecopy and unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or, in the case of mail, two (2) business days after deposit in the postal system, first class postage prepaid, or, in the case of telecopy notice, confirmation of receipt received, addressed to a party at the address provided for such party in the Loan Agreement.

16. Governing Law. This Security Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Tennessee applicable to contracts to be wholly performed in such State, or to the extent required, by federal law.

17. Counterparts. This Agreement may be executed in any number of counterparts and by different parties to this Agreement 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.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed and delivered as of the date first above written.

**GRANTOR:**

**OMNII PRODUCTS OF PALM BEACH, INC.,**  
a Florida corporation

By: *Chuck Jacobs*  
Title: *Authorized Officer*

**LENDER:**

**SIRROM INVESTMENTS, INC.,**  
a Tennessee corporation

By: *Kathy Allen*  
Title: *Vice Pres.*



STATE OF Florida )  
COUNTY OF Palm Beach )

Before me, \_\_\_\_\_ of the state and county aforesaid, personally appeared Chuck Jackson, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence and who, upon oath, acknowledged himself to be president (or other officer authorized to execute the instrument) of Omnii Products of Palm Beach, Inc. the within named bargainor, a corporation, and that he as such \_\_\_\_\_ executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as authorized officer.



M TIMOTHY HANLON  
My Commission CC491070  
Expires Aug. 29, 1999

M. Timothy Hanlon  
Notary Public

My Commission Expires:  
\_\_\_\_\_

STATE OF Tennessee )  
COUNTY OF Davidson )

Before me, Renée C. Moore of the state and county aforesaid, personally appeared Kathy Harris, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence and who, upon oath, acknowledged himself to be president (or other officer authorized to execute the instrument) of Sirrom Capital Corporation the within named bargainor, a corporation, and that he as such Vice President executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as Vice President.

Renée C. Moore  
Notary Public

My Commission Expires:  
\_\_\_\_\_

5-28-2000

**Schedule A**

Intellectual Property of Omnii Products of Palm Beach, Inc.

Omnii Products of Palm Beach, Inc. has intellectual property which consists of the items listed on the attached pages.

*Omni Products of Palm Beach, Inc.*  
**Summary of Dunhall Pharmaceuticals, Inc.**  
**Patents and Patent Applications**

Patent No. 5,273,964 entitled Inorganic And Organic Composition For Treatment Of  
e Lesions

aintenance fee due 6/28/97

\$1,020.00  
payable to Commissioner of Patents  
and Trademarks

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Patent No. Re. 34,196 entitled Method and Materials For Brightening Teeth

aintenance fee due 8/5/98

\$2,050.00  
payable to Commissioner of Patents  
and Trademarks

*note: held by its wholly-owned subsidiary, Dunhall Pharmaceuticals, Inc.*

Patent No. 4,968,251 entitled Improvements In The Treatment Of A Tooth

aintenance fee due 5/6/98

\$2,050.00  
payable to Commissioner of Patents  
and Trademarks

*note: held by its wholly-owned subsidiary, Dunhall Pharmaceuticals, Inc.*

Patent No. 5,356,291 entitled Improvements In The Treatment Of A Tooth

aintenance fee due 4/18/98

\$1,020.00  
payable to Commissioner of Patents  
and Trademarks

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Patent Application Serial No. 08/324,238 entitled Improvements In The Treatment  
Tooth

at application pending

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Patina Patent No. 243,759 entitled Improvements In The Treatment Of A Tooth

ity fee due 6/25/97

\$240.00  
payable to Obligado & CIA

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alia Patent No. 647033 entitled Improvements In The Treatment Of A Tooth

ity fee due 6/25/97

\$268.58  
payable to Carter, Smith & Beadle

---

Belgium Patent No. EP0480997B entitled Improvements In The Treatment Of A Tooth

Annuity fee due 6/25/97

\$250.96

payable to Computer Patent Annuities

must be worked by 8/31/97

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Brazil Patent Application No. PI 9007497 entitled Improvements In The Treatment Of A Tooth

Annuity fee due 6/25/97

\$408.06

payable to Danneman, Siemsen Bigler &  
Ipanema Moreira

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Canada Patent Application No. 2,064,593 entitled Improvements In The Treatment Of A Tooth

Annuity fee due 6/25/97

\$225.00

payable to Donald Hewson

Request for Exam due 6/25/97

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France Patent No. EP0480997B entitled Improvements In The Treatment Of A Tooth

Annuity fee due 6/25/97

\$300.64

payable to Computer Patent Annuities

must be worked by 8/31/97

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Germany Patent No. EP0480997B entitled Improvements In The Treatment Of A Tooth

Annuity fee due 6/25/97

\$352.37

payable to Computer Patent Annuities

must be worked by 8/31/97

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Great Britain Patent No. EP0480997B entitled Improvements In The Treatment Of A Tooth

Annuity fee due 6/25/97

\$340.00

payable to Computer Patent Annuities

must be worked by 8/31/97

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Italy Patent No. EP0480997B entitled Improvements In The Treatment Of A Tooth

Annuity fee due 6/25/97

\$242.36

payable to Computer Patent Annuities

must be worked by 8/31/97

TRADEMARK

REEL: 002670 FRAME: 0295

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Japan Patent Application No. 02-510375 entitled Improvements In The Treatment Of A Tooth

Request for Exam due 6/25/97

Hoshina Patent Office

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Luxembourg Patent No. EP0480997B entitled Improvements In The Treatment Of A Tooth

Annuity fee due 6/25/97

\$206.08

payable to Computer Patent Annuities

must be worked by 8/31/97

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Mexico Patent No. 172910 entitled Improvements In The Treatment Of A Tooth

Annuity fee due 1/1/97

\$470.00

payable to Uhthoff, Gomez Vega & Uhthoff

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New Zealand Patent No. 234320 entitled Improvements In The Treatment Of A Tooth

Annuity fee due 6/29/97

\$225.13

payable to Greg West-Walker and Company

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Spain Patent No. EP0480997B entitled Improvements In The Treatment Of A Tooth

Annuity fee due 6/25/97

\$253.94

payable to Computer Patent Annuities

must be worked by 8/31/97

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Switzerland/Liechtenstein Patent No. EP0480997B entitled Improvements In The Treatment Of A Tooth

Annuity fee due 6/25/97

\$654.46

payable to Computer Patent Annuities

must be worked by 8/31/97

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NOTE - Foreign annuities may be different due to the foreign exchange rates.

Patents:

34,196

4,968,251

TRADEMARK REGISTRATIONS

Country/State	Registration No.	Trademark	Class	Renewal Date
	1,474,719	OMNI	5 & 10	2/2/2008
		renewal fee: \$300.00 per class payable to Commissioner of Patents & Trademark		
	1,248,120	OMNI & DESIGN	5	8/16/2003
		renewal fee: \$300.00 payable to Commissioner of Patents & Trademark		
	1,621,883	DK AWAY	3	11/13/2000
		Section 8 & 15 Affidavits due 11/13/96 - fee: \$200.00 renewal fee: \$300.00 payable to Commissioner of Patents & Trademark		
	1,607,064	OMNI W&B WHITE & BRITE & DESIGN	3	7/24/2000
		renewal fee: \$300.00 payable to Commissioner of Patents & Trademark		
Canada	280494	OMNI		6/17/98
		renewal fee: currently undetermined payable to Goudreau Gage Dubuc & Martineau Walker		
France	1385564	OMNI		10/10/96
		renewal fee: \$635.36 payable to Cabinet Lavoix		
Israel	65417	OMNI	5	1/21/2008
		renewal fee: \$950.00 payable to A.E. Mulford Patent Attorneys		
Israel	65418	OMNI	10	1/21/2008
		renewal fee: \$950.00 payable to A.E. Mulford Patent Attorneys		

Israel	82320	OMNI	3	5/11/99	renewal fee: \$950.00 payable to A.E. Mulford Patent Attorneys
Kuwait	21017	OMNI	5	4/11/99	renewal fee: currently undetermined payable to T.M.P. Agents
Kuwait	21018	OMNI	10	4/11/99	renewal fee: currently undetermined payable to T.M.P. Agents
Saudia Arabia	199/46	OMNIMED	5	6/7/98	renewal fee: currently undetermined payable to T.M.P. Agents
K.	1183487	OMNI	5	10/15/2003	renewal fee: currently undetermined payable to Reddie & Grose
K.	1209111	OMNI	3	12/14/2004	renewal fee: currently undetermined payable to Reddie & Grose
ida	T11186	DK AWAY	3	6/12/99	renewal fee: currently undetermined payable to State of Florida
da	T10926	OMNII WHITE & BRITE & DESIGN	3	4/25/99	renewal fee: currently undetermined payable to State of Florida



The following active marks were registered by Dunhall pharmaceuticals and in December, 1997 documentation was filed with the PTO to transfer ownership of same to Omni Products of Palm Beach, Inc.:

Duoprin, Registration No. 828,118, Class 5, expires May 2, 2007

Omni, w/ design, Registration No. 1,248,120, Class 5, expires August 16, 2003

Omni, Registration No. 1,474,719, Class 5 and 10, expires February 2, 2008

Omnident 1000, Registration No. 1,730,221, Class 5, expires November 3, 2002

Omni W&B White & Brite, w/ design, Registration No. 1,607,064, Class 3, expires July 24, 2000

Sweet 'n Sassy, w/ design, Registration No. 1,175,313, Class 25, expires October 27, 2001

The following applications were filed in December, 1997 and as of yet have not been assigned a Serial No. or assigned to a USPTO attorney for examination:

Omni Products, in Class 5  
PerioMed, in Class 5  
Just for Kids, in Class 5  
White and Brite Ultimate, in Class 3 and 10  
Singles, in Class 10  
Nice Cream, Intent to Use Application in Class 3  
Ortho Wash, Intent to Use Application in Class 5  
Compliance, Intent to Use Applications in Class 3, 5, 10 and 21

There are also 6 registrations or applications which were filed by Dunhall, but which have expired, were cancelled or were abandoned.

Trademarks:

1607064

2252144

2266444

2277336

2294700

2296752

2300756

2304703

2312958

2467807

2552943

2648998

### **Schedule B**

Know-how and Trade Secrets of Omnii Products of Palm Beach, Inc.

Omnii Products of Palm Beach, Inc. has no special Know-how or Trade Secrets other than those related to the formula and process for the manufacture of PerioMed, Omnii Gel and Just for Kids. These products are the primary products in the Company's fluoride line.

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February 12, 2003

VIA Airborne

Assistant Commissioner for Trademarks/Patents  
U.S. Patent and Trademark Office  
Attn: Customer Services Counter  
1213 Jefferson Davis Highway, 3rd Floor  
Arlington, VA 22202

Re: Omnii Products of Palm Beach, Inc.

Dear Commissioner:

Please find enclosed for recording, the following documents regarding the above listed entity:

1. One Recordation Form Cover Sheet - **Trademarks Only**;
2. Intellectual Property Security Agreement; and
3. A check in the amount of \$315.00 to cover recording costs.

If this check is insufficient to cover the costs of recording the subject document, please record the document immediately and contact me as soon as possible concerning the insufficient amount. If the check is excessive, we request that the document be recorded at once and that a refund be processed in due course.

Please stamp the enclosed copy of this letter "received" and return it to me in the enclosed self-addressed stamped envelope.

Very truly yours,



Philip S. Clark  
Vice President - Group Counsel

trademarks\_omnii

February 12, 2003

VIA Airborne

Assistant Commissioner for Trademarks/Patents  
U.S. Patent and Trademark Office  
Attn: Customer Services Counter  
1213 Jefferson Davis Highway, 3rd Floor  
Arlington, VA 22202

Re: Omnii Products of Palm Beach, Inc.

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Philip S. Clark  
Vice President - Group Counsel

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