

FORM PTO-1594 (Modified)  
(Rev. 6-93)  
OMB No. 0551-0011 (exp. 4/94)  
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TM05/REV03

RECORDATION FORM COVER SHEET  
**TRADEMARKS ONLY**

Docket No.:  
**121025/001**

Tab settings → → → ▼ ▼ ▼ ▼ ▼ ▼ ▼ ▼

To the Director of the United States Patent and Trademark Office: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):  
**Union Bank of California, N.A.**

Individual(s)                       Association  
 General Partnership               Limited Partnership  
 Corporation-State  
 Other **National Banking Association**

Additional names(s) of conveying party(ies)       Yes  No

2. Name and address of receiving party(ies):

Name: **Pecos Pharmaceutical, Inc.**

Internal Address: **90 North Broadway**

Street Address: \_\_\_\_\_

City: **Irvington** State: **NY** ZIP: **10533**

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State **California**  
 Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic designation is       Yes  N  
 (Designations must be a separate document from  
 Additional name(s) & address(es)       Yes  N

3. Nature of conveyance:

Assignment                               Merger  
 Security Agreement                       Change of Name  
 Other **Correct Nature of Conveyance to state  
 Release of Security Interest**

Execution Date: **recorded 9/5/03, Reel 2712, Frame 0788**

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

A. Trademark Application No.(s)

Additional numbers       Yes  No

B. Trademark Registration No.(s)

**1,894,792      2,367,471**  
**2,367,470**

Yes  No

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

Name: **Laura E. Goldbard**

Internal Address: **Stroock & Stroock & Lavan LLP**

Street Address: **180 Maiden Lane**

City: **New York** State: **NY** ZIP: **10038**

6. Total number of applications and registrations involved:..... **3**

7. Total fee (37 CFR 3.41):.....\$ **50.00**

Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

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

**Laura E. Goldbard**                      *Laura E. Goldbard*                      **September 15, 2003**  
 Name of Person Signing                      Signature                      Date

Total number of pages including cover sheet, attachments, and



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09/05/2003

RECORDED COVER SHEET

Docket No.:

TRADEMARKS ONLY

121025/

FORM PTO-1594 (Modified)  
(Rev. 8-95)  
OMB No. 0651-0011 (exp. 4/94)  
Copyright 1994-97 LegalStar  
TMOS/REV03

Tab settings

To the Director of the United States Patent and Trademark Office: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Union Bank of California, N.A.

- Individual(s)
- General Partnership
- Corporation-State
- Other National Banking Association

- Association
- Limited Partnership

Additional names(s) of conveying party(ies)  Yes  No

2. Name and address of receiving party(ies):

Name: Pecos Pharmaceutical, Inc.

Internal Address: 90 North Broadway

Street Address: \_\_\_\_\_

City: Irvington State: NY ZIP: 10533

Individual(s) citizenship \_\_\_\_\_

Association \_\_\_\_\_

General Partnership \_\_\_\_\_

Limited Partnership \_\_\_\_\_

Corporation-State California

Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic designation is  Yes  No

(Designations must be a separate document from

Additional name(s) & address(es)  Yes  No

3. Nature of conveyance:

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

Execution Date: March 31, 2003

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1,894,792      2,367,471  
2,367,470

Additional numbers

Yes  No

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

Name: Laura E. Goldbard

Internal Address: Stroock & Stroock & Lavan LLP

Street Address: 180 Maiden Lane

City: New York State: NY ZIP: 10038

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

3

7. Total fee (37 CFR 3.41):.....\$ 590.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

19-4709

DO NOT USE THIS SPACE

9. Statement and signature.

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

Laura E. Goldbard

Name of Person Signing

*Laura E. Goldbard*

Signature

September 5, 2003

Date

Total number of pages including cover sheet, attachments, and

6

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NO.567

002

March 31, 2003

VIA FACSIMILE

The Cutex Company  
 Medtech Products Inc.  
 PECOS Pharmaceutical, Inc.  
 Attention: Peter Mann, President and CEO  
 90 North Broadway  
 Irvington, NY 10533

Re: Revolving/Term Credit Agreement, dated as of March 1, 2001, among Medtech Products Inc. ("Medtech"), The Cutex Company ("Cutex"), PECOS Pharmaceutical, Inc. ("Pecos" and together with Medtech and Cutex, "Borrowers"), the Lenders party thereto (the "Lenders") and Union Bank of California, N.A., as Administrative Agent ("Administrative Agent") for the Lenders (as amended, the "Credit Agreement").

Gentlemen:

1. You have informed us that Pecos is interested in transferring the "Subject Assets" (as defined below) to Medtech Holdings, Inc., a Delaware corporation ("Parent"), and that Parent is interested in immediately selling the Subject Assets to Contract Pharmacal Corporation, a New York corporation ("Buyer"). You have requested that the Lenders agree to release the lien of the Administrative Agent (on behalf of the Lenders) in the Subject Assets to permit the above-described dispositions.
2. The Administrative Agent, acting with the consent of all of the Lenders as required by the Credit Agreement, hereby releases the liens of the Administrative Agent (for the benefit of itself and the Lenders) in the Subject Assets and agrees that all of the Administrative Agent's (for the benefit of itself and the Lenders) liens upon any of the Subject Assets granted under the Loan Documents (as defined in the Credit Agreement) are terminated. The Administrative Agent promptly shall deliver to Borrowers (or to their designee as specified in writing), at the cost and expense of Borrowers, such further documents and agreements as may be reasonably requested by Borrowers in order to effect and evidence more fully the termination and release of the liens of the Administrative Agent (for the benefit of itself and the Lenders) in the Subject Assets as provided for herein.
3. As used herein, the term "Subject Assets" means the following assets and properties used by Pecos exclusively in the operation of the Business (as defined below):
  - (a) New Inventories (as defined below);
  - (b) Impaired Inventories (as defined below);

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03-31-03 12:54 TO: MEDTECH INC

FROM: 213 236 6089

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(c) All of the intangible rights and property of Pecos related exclusively to the Business, including without limitation the Intellectual Property (as defined below), goodwill associated therewith, licenses and sublicenses granted and obtained with respect thereto, and rights thereunder, remedies against infringements thereof, and rights to protection of interests therein under the Laws (as defined below) of all jurisdictions;

(d) All data and Records (as defined below) relating exclusively to the Product Lines (as defined below) including without limitation all customer lists, marketing agreements, customer Records, consumer or customer complaints, referral sources, correspondence, creative materials, art work, advertising and promotional materials, studies, reports, and other printed or written materials pertaining to the Product Lines (including, (i) to the extent that such data and Records exist and only to the extent that they are in possession of Pecos, research and development reports, production reports and Records, service and warranty Records, equipment logs operating guides and similar documents and (ii) such customer lists, with historic sales and transaction histories for the Product Lines as are in Pecos' possession or are reasonably capable of being generated from records held in the ordinary course for the two years immediately preceding the effective date of the sale of the Subject Assets by Parent to Buyer (the "Closing Date")); and

(e) All claims of Pecos (other than Accounts Receivable) against third parties relating to the Subject Assets whether choate or inchoate, known or unknown, contingent or non-contingent.

4. As used herein, the following defined terms have the indicated meanings:

"Accounts Receivable" means (i) all trade accounts receivable and other rights to payment from customers of Pecos and the full benefit of all security for such accounts or rights to payment, including all trade accounts receivable representing amounts receivable in respect of goods shipped or products sold or services rendered to customers of Pecos, (ii) all other accounts or notes receivable of Pecos and the full benefit of all security for such accounts or notes and (iii) any claim, remedy or other right related to any of the foregoing.

"Business" means the use of the Subject Assets to manufacture, market and sell Products.

"Governmental Authority" means any (i) nation, state, county, city, town, borough, village, district or other jurisdiction; (ii) federal, state, local, municipal, foreign or other government; (iii) governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers); (iv) multinational organization or body; (v) body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or (vi) official of any of the foregoing.

"Impaired Inventories" means all of Pecos' Inventories of Products in the ARTHx™ line that have expiration dates prior to the first anniversary of the Closing Date, but which could be repackaged so as to extend the expiration dates of such Products to a date on or after the first anniversary of the Closing Date and all Inventories which are damaged (including packaging).

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03-31-03 12:54 TO: MEDTECH INC

FROM: 213 235 6699

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P04

"Intellectual Property" means all of the following: (i) trademarks listed on Schedule 1 ("Subject Marks"), service marks, trade dress, logos, trade names, and corporate names, excluding the name Medtech and any derivatives and variations thereof, together with translations, adaptations, derivations, and combinations thereof and including goodwill associated therewith, and applications, registrations, and renewals in connection therewith, in each case which are dedicated solely to production of the Product or are used exclusively in the Business (collectively, "Marks"); (ii) patents, patent applications, and patent disclosures, together with reissues, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, and inventions (whether patentable or unpatentable and whether or not reduced to practice) and improvements thereto, which are dedicated solely to production of the Product or are used exclusively in the Business (collectively, "Patents"); (iii) copyrightable works, copyrights, if any, and applications, registrations, and renewals in connection therewith, which are dedicated solely to production of the Product or are used exclusively in the Business (collectively, "Copyrights"); (iv) all know-how, trade secrets, confidential or proprietary information, customer lists, technical information, data, process technology, plans, drawings and blue prints (if any) which are dedicated solely to production of the Product or are used exclusively in the Business and not in connection with any asset of Pecos not expressly defined as a Subject Asset (collectively, "Trade Secrets"), customer lists and vendor lists; (v) all rights in internet web sites and internet domain names presently used by Pecos (including sites and names registered in the name of Medtech Inc., a d/b/a) (collectively "Net Names") which are dedicated solely to production of the Product or are used exclusively in the Business; (vi) other proprietary rights of any kind or nature which are dedicated solely to production of the Product or are used exclusively in the Business; (vii) moral rights with respect to any of the foregoing; and (viii) copies and tangible embodiments of any of the foregoing in any form or medium (and not in connection with any asset of Pecos not expressly defined as a Subject Asset).

"Inventories" means all of Pecos' inventories of Products in the ARTHx™ line currently in distribution, wherever located, including all finished goods, work in process, raw materials, spare parts and all other materials and supplies to be used or consumed by Pecos in the production of finished goods but excluding discontinued items and the components of discontinued items.

"Law" means any local, county, state, federal, foreign or other law, statute, regulation, ordinance, rule, order, decree, judgment, consent decree, settlement agreement or governmental requirement enacted, promulgated, entered into, agreed or imposed by any Governmental Authority.

"New Inventories" means all Pecos' Inventories of Products with expiration dates on or after the first anniversary of the Closing Date.

"Product Lines" means, collectively, (i) the ARTHx™ brand of glucosamine and chondroitin dietary supplement compounds and (ii) Pecos Polysaccharide Iron 150™ compound.

"Products" means all products manufactured, marketed and sold under the Subject Marks prior to the Closing Date by Pecos, as part of the Product Lines.

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03-31-03 12:55 TO: MEDTECH INC

FROM: 213 235 6889

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NO. 567


P05

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

If the foregoing is in accordance with your understanding of our agreement, please so indicate by signing in the place and manner provided below.

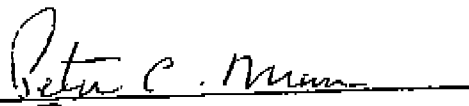
Sincerely,

Union Bank of California, N.A.,  
as Administrative Agent for the Lenders

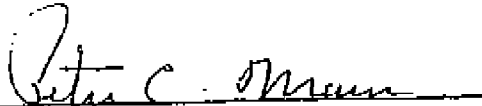
By:   
Name: Richard Faulkner  
Title: Vice President

ACKNOWLEDGED AND AGREED:

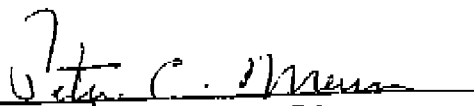
THE CUTEX COMPANY,  
a Delaware corporation

By:   
Name: PETER C. Mann  
Title: President

PECOS PHARMACEUTICAL, INC.,  
a California corporation

By:   
Name: PETER C. Mann  
Title: President

MEDTECH PRODUCTS INC.,  
a Delaware corporation

By:   
Name: PETER C. Mann  
Title: President

03/31/2003

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NO. 567

DDE

Schedule 1

Subject Marks

<u>Trademark</u>	<u>Registration Number</u>	<u>Jurisdiction</u>	<u>Reg. Date</u>
PECOS PHARMACEUTICAL			
and design	1,894,792	United States	May 23, 1995
ARTHXDS and Design	2,367,470	United States	July 18, 2000
ARTHXSS and Design	2,367,471	United States	July 18, 2000
ARTHX	2,696,792	United States	March 11, 2003

Common Law Trademarks

PECOS POLYSACCHARIDE IRON 150      United States

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03-31-03 12:57 TO: MEDTECH INC

FROM: 212 235 6089

P06

RECORDED: 09/15/2003

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