

4-28-03

04-28-2003

FORM PTO-1594
(Rev. 6-93)



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

To the Honorable Commissioner of Patent

102432618

1 original documents or copy thereof.

1. Name of conveying party(ies):

MacGregor Golf Company
1000 Pecan Grove Drive
Albany, GA 31701

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

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

3. Nature of conveyance:

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

Execution Date: July 1, 2002

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

Name: Foothill Capital Corporation

Internal Address: _____

Street Address: 1000 Abernathy Road, Suite 1450

City: Atlanta State: GA ZIP 30328

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State California
- Other _____

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

(Designation 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)

78/185,731

B. Trademark Registration No.(s)

1,421,274

Additional numbers attached? Yes No

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

Name: Cooley Godward LLP

Internal Address: Attn: Melanie Cass

Street Address: One Maritime Plaza, 20th Floor

City: San Francisco State: CA ZIP 94111

6. Total number of applications and registration involved: 2

7. Total fee (37 CFR 3.41):..... \$65.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: 03-3115

(Attach duplicate copy of this page if paying by deposit account)

04/28/2003 6TON11 00000071 78185731

DO NOT USE THIS SPACE

01 #C:8521 40.00 OP
02 #C:8522 25.00 OP

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.

Melanie Cass

Melanie Cass

April 24, 2003

Date

Total number of pages including cover sheet, attachments, and document: 8

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

RECEIVED FOR
DEPT. OF COMMERCE
APR 28 PM 1:24
ASSIGNMENTS DIV.

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "Agreement"), entered into as of the 1st day of July, 2002, by and between MACGREGOR GOLF COMPANY, a Delaware corporation (the "Parent") and FOOTHILL CAPITAL CORPORATION, a California corporation, as lender ("Lender").

WITNESSETH:

WHEREAS, pursuant to that certain Loan and Security Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and among Parent, MacGregor Golf (North America), Inc. ("MGC North America," and together with Parent, "Borrowers") and Lender, Lender has agreed to make certain loans and other financial accommodations to Borrowers from time to time pursuant to the terms and conditions thereof; and

WHEREAS, it is a condition precedent to the extension of credit under the Loan Agreement that Parent shall have granted the security interest contemplated by this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Loan Agreement, and further agree as follows:

1. The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. Capitalized terms not otherwise defined herein shall have the meanings ascribed those terms in the Loan Agreement.

2. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, Parent hereby grants to Lender a security interest in all of Parent's now owned or existing and hereafter acquired or arising: (i) trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including, without limitation, the trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, all of which are listed on Schedule 1 attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (c) the right to sue for past, present and future infringements and dilutions thereof, and (d) the goodwill of Parent's business symbolized by the foregoing

and connected therewith (all of the foregoing trademarks, trade names, registered trademarks and trademark applications, service marks, registered service marks and service mark applications, together with the items described in clauses (a)-(e) in this paragraph 2(i), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and (ii) the goodwill of Parent's business connected with and symbolized by the Trademarks.

3. Parent agrees that it will not, without Lender's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Parent further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others subject to its control, including, without limitation, licensees, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Lender under this Agreement or the rights associated with the Trademarks (other than in respect of the abandonment of trademarks deemed not to be material to the business of Parent or its Subsidiaries, as determined by Parent in good faith in the exercise of its business judgment).

4. Parent authorizes Lender to modify this Agreement by amending Schedule 1 to include any future trademarks, service marks, and trademark or service mark applications or registrations which are or may become Trademarks hereunder and to record such modifications (or notice thereof) in the United States Patent and Trademark Office or with other applicable recording or filing office within the United States or any state thereof at the expense of the Parent as Lender shall determine in its Permitted Discretion. Parent agrees to execute any and all instruments (including individual security agreements) necessary to confirm such amendment or to enable such recording.

5. Parent agrees (i) not to abandon any Trademark (other than Trademarks deemed not to be material to the business of Parent or its Subsidiaries, as determined by Parent in the exercise of its business judgment) without the prior written consent of Lender, which consent shall not be unreasonably withheld, and (ii) to take all action necessary to maintain in force any registration of the Trademarks, in the United States Patent and Trademark Office and in any other jurisdiction within the United States or any state thereof in which it is registered, including (without limitation) any filing, to the extent permitted and authorized by law, any declarations under Sections 8 and 15 of the Trademark Act of 1946 (Lanham Act) and any renewals thereunder, with respect to the Trademarks. Any expense with regard to the foregoing shall be borne and paid by Parent.

6. Lender shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks (other than Trademarks deemed not to be material to the business of Parent or its subsidiaries, as determined by Parent in the exercise of its business judgement) and, if Lender shall commence any such suit, Parent shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement. Parent shall, upon demand, promptly reimburse Lender for all costs and expenses incurred by Lender in the exercise of its

rights under this paragraph 6 (including, without limitation, the reasonable fees and expenses of attorneys and paralegals for Lender).

7. (a) Parent hereby irrevocably designates, constitutes and appoints Lender (and all officers and agents of Lender designated by Lender in its sole and absolute discretion) as Parent's true and lawful attorney-in-fact, and authorizes Lender and any of Lender's designees, in Parent's or Lender's name, to take any action and execute any instrument necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to (i) endorse Parent's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Trademarks, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks to anyone, and (iv) take any other actions with respect to the Trademarks as Lender deems in its best interest provided that the foregoing appointment of Lender as Parent's attorney-in-fact and authorizations shall only be effective upon the occurrence of and during the continuation of an Event of Default. Parent hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof while such power of attorney is in effect. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated. Parent acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Loan Agreement or any other Loan Document, but rather is intended to facilitate the exercise of such rights and remedies; provided, however, that Lender may give any shorter notice that is commercially reasonable under the circumstances.

(b) Lender shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located or deemed located. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby, by the Loan Agreement or by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that Lender may exercise any of the rights and remedies provided in this Agreement, the Loan Agreement or any of the other Loan Documents. Parent agrees that any notification of intended disposition of any of the Trademarks required by law shall be deemed reasonably and properly given if given at least ten (10) days before such disposition.

8. Upon the satisfaction of the Obligations and the termination of the credit facility under the Loan Agreement, Lender shall execute and deliver to Parent all instruments as may be necessary or proper to remove and terminate the security interest, and to reassign to Parent any and all right, title and interest in the Trademarks and the goodwill of the business symbolized by the Trademarks, subject to any disposition thereof which may have been made by Lender pursuant hereto.

9. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part

thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

10. This Agreement is subject to modification only by a writing signed by the parties.

11. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

12. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of an original, executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile shall also deliver an original executed counterpart of this Agreement, but the failure to deliver an original, executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

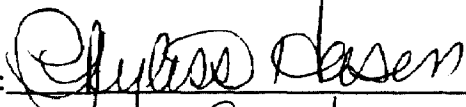
13. This Agreement shall be construed according to the internal laws of the State of Georgia, without regard to the conflict of laws principles thereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Lender and Parent have each caused this Trademark Security Agreement to be duly executed as of the day and year first above written.

LENDER

FOOTHILL CAPITAL CORPORATION

By: 

Title: Vice President

PARENT

MACGREGOR GOLF COMPANY

By: _____

Title: _____

IN WITNESS WHEREOF, Lender and Parent have each caused this Trademark Security Agreement to be duly executed as of the day and year first above written.

LENDER

FOOTHILL CAPITAL CORPORATION

By: _____

Title: _____

PARENT

MACGREGOR GOLF COMPANY

By:  _____

Title: Corporate Secretary

SCHEDULE 1

TRADEMARKS

MARK	COUNTRY	OWNER	APPLICATION/ REGISTRATION	CLASS: /GOODS/ SERVICES	CURRENT STATUS
FORGED MADE EASY	United States	MacGregor Golf Company	App. No. 78/185,731	Class 28: golf clubs	Filed 11/15/2002
RESPONSE Z/T	United States	MacGregor Golf Company	Reg. No. 1,421,274	Class 28: golf putters	Registered 12/16/1986

April 25, 2003

VIA FEDEX

U.S. Patent and Trademark Office
Office of Public Records
Attention: Customer Services Counter
1213 Jefferson Davis Highway, 3rd Floor
Arlington, Virginia 22202

Re: Recording of Grant of Security Interest

Dear Assistant Commissioner:

The following document is being submitted for recording with the U.S. Patent and Trademark Office:

1. Trademark Security Agreement (the "Security Agreement") dated as of July 1, 2002, whereby **MacGregor Golf Company** is granting a security interest in all trademark/trademark applications listed on the attached Trademark Recordation Cover Sheet to **Foothill Capital Corporation**.

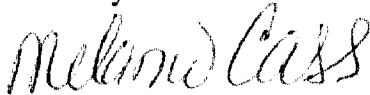
I have also enclosed a check for \$65.00 to cover the fees required to record the Security Agreement. The Commissioner is hereby authorized to charge any underpayment of such fees to Deposit Account No. 03-3115.

After the enclosed Security Agreement has been recorded, please return it to the attention of the undersigned with the certificate of recordation.

Please acknowledge receipt of the letter and accompanying enclosures by date stamping the enclosed self-addressed prepaid green return receipt card and returning to the undersigned.

Sincerely,

Cooley Godward LLP



Melanie M. Cass
Credit Finance Paralegal Specialist

Enclosure

cc: Peter Carson, Esq. (w/o enclosure)
George Kurlyanchik, Esq. *via facsimile 404-685-5271* (w/enclosure)
Charles A. Frank *via facsimile 650-616-4610* (w/enclosure)