

07-21-2003



102502047

7.15.03

To the Honorable Commissioner o

Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Hermes U.S., Inc.

- Individual(s)
- General Partnership
- Corporation-State
- Other
- 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: 6/13/03

2. Name and address of receiving party(ies)

Name: CIT Group Business Credit, Inc.

Internal

Address:

Street Address: 1211 Ave. of the Americas

City: New York State: NY Zip: 10036

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State New York
- 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 Schedule A

B. Trademark Registration No.(s) See Schedule B

Additional number(s) attached  Yes  No

650 237

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

Name: David Greenberg, Esq.

Internal Address: Greenberg Traurig, LLP

Street Address: 200 Park Avenue

City: New York State: NY Zip: 10166

6. Total number of applications and registrations involved:

105

7. Total fee (37 CFR 3.41) \$ 2,640.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

50-1561

OFFICE OF PUBLIC RECORDS  
2003 JUL 15 AM 7:50  
FINANCE SECTION

DO NOT USE THIS SPACE

9. Signature.

David Greenberg, Esq.

Name of Person Signing

Signature

July 15, 2003

Date

Total number of pages including cover sheet, attachments, and document: 33

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

07/18/2003 EDCPER 0000097 501561 650237  
01 FD:8521 40.00 DA  
02 FD:8522 2600.00 DA

## U.S. TRADEMARK APPLICATIONS

<u>Trademark</u>	<u>Application Number</u>
CORAL SPRINGS	75/574,127
HOLLYWOOD PUNCH	76/137,813
ELIZABETH POST	75/563,636
KIDS ZONE THE PLACE FOR OUT OF THIS WORLD FUN! and Design	75/641,838
KIDS ZONE THE PLACE FOR OUR OF THIS WORLD FUN! and Design	75/728,750
THE PLACE FOR OUT OF THIS WORLD FUN!	75/728,751
VIENNA SPRINGS NATURALS	75/778,015
COOL MELON	75/854,231
KIDS CLUB	75/854,232
BEST FRIENDS FOREVER	75/877,902
CRAZY GRAPE	75/877,903
REALLY FRESH	75/879,697
KIDS CLUB THE CLUB THAT IS JUST FOR KIDS!	75/892,995
ORANGE BLAST	75/898,516
SPACE BERRIES	75/918,177
MARTIAN MELON	75/918,178
BLASTIN' BERRY	75/918,183
GALACTIC GRAPE	75/918,184
INSPIRA	75/922,310
MELODI	75/922,311
REFINIUM	75/922,312
ARCADIA	75/937,764
ISLAND BOUQUET	76/022,924
FRUIT AMBROSIA	76/022,974
GRAPEFRUIT & LILY	76/023,052
SWEET SECRETS	76/058,907
MELON DREAMS	76/058,908
ROCKIN' BERRY	76/104,341
TWISTIN' CHERRY	76/104,342
BOPPIN' ORANGE	76/107,719
LANDER NATURALS and Design	76/117,757
MAJOR K-9	76/133,563
WIPEOUT PUNCH	76/137,809
PUNCH SPLASH	76/137,810

## U.S. TRADEMARK APPLICATIONS

<b><u>Trademark</u></b>	<b><u>Application No.</u></b>
ORANGE PAIL	76/137,814
COOL CHERRY	76/152,437
MELON CRAZE	76/160,655
SWEET PASSION FRUIT	76/201,075
COOL FROST	76/201,076
COOL TIDES	76/209,502
SIMPLY BABY	76/247,935
SWEET MOMENTS	76/254,079
MY PARADISE	76/266,206
JUNGLE KIDS	76/266,211
LUNAR LIME	76/292,078
COSMIC DREAMS	76/478,323
KIDS@PLAY	76/495,890
KIDSVILLE	76/495,891
BEYOND BEAUTY	76/503,697
KIDS and Design	76/519,788

## U.S. TRADEMARK REGISTRATIONS

<u>Trademark</u>	<u>Registration Number</u>
LANDER	650,237
BLUE PETALS	771,259
BETTY BUBBLES	793,045
DOROTHY REED	840,145
LANDER	869,475
LANDER	872,459
DIXIE PEACH	910,729
BLACK ORCHID (Stylized)	1,089,523
LANDER	1,107,685
LANDER	1,621,962
LANDER	1,623,203
LANDER	1,682,578
LANDER	1,833,100
POLAR ICE	1,843,464
Design of Three Stripes	1,987,334
KIDDIE	1,989,751
LANDER GRAPEFRUIT ESSENCE	2,020,569
LANDER PEACH ESSENCE	2,023,486
LANDER STRAWBERRY ESSENCE	2,023,487
LANDER VANILLA ESSENCE	2,095,765
SOMERSET NATURALS	2,139,809
SPRING GARDEN	2,178,682
ALPHA BALANCE	2,209,467
ELIZABETH POST	2,215,540
LANDER	2,232,073
JUNGLE TANGO	2,281,827
Design of Three Stripes	2,298,326
SOUR GREEN APPLE	2,308,101
GOOFY GRAPE	2,314,009
WACKY WATERMELON	2,316,199
BANANA BONKERS	2,320,961
Design of Lion and Snake	2,323,706
Design of Grapes	2,323,707
Design of Banana	2,323,708
Design of Watermelon	2,323,718
Design of Strawberries	2,325,880
HAWAIIAN TUTTI-FRUTTI	2,328,634
Design of Apple	2,335,071

## U.S. TRADEMARK REGISTRATIONS

<u>Trademark</u>	<u>Registration Number</u>
Design of PineApple, Strawberry and Apple	2,367,832
Design of Bottle	2,394,831
AGAINST CRUELTY and Design	2,448,014
Design of Bottle	2,452,700
CORAL SPRINGS NATURAL COLLECTION	2,453,370
COSMIC CHERRY	2,465,361
ORBITING ORANGE	2,465,362
LANDER NATURALS and Design	2,467,685
SILKY HEAT	2,476,418
WATERMELON WAVES	2,517,111
SURFIN' STRAWBERRY	2,517,112
ICICLES	2,524,771
LILACS AND ROSES	2,541,861
THE PLACE FOR OUT OF THIS WORLD FUN	2,556,493
APRICOT-WAVE	2,643,973
ISLAND BOUQUET	2,666,317
BEACH BERRY	2,684,353

TRADEMARK AND TRADENAME  
SECURITY AGREEMENT

THIS TRADEMARK AND TRADENAME SECURITY AGREEMENT (the "Security Agreement") is made as of this 13<sup>th</sup> day of June, 2003 by HERMES U.S., INC., a Delaware corporation with its principal place of business at One Palmer Square, Suite 330, Princeton, New Jersey 08542 (the "Company") in favor of CIT GROUP/BUSINESS CREDIT, INC., a New York corporation having an office located at 1211 Avenue of the Americas, 22nd Floor, New York, NY 10036 ("CIT").

W I T N E S S:

WHEREAS, the Company is the owner and holder of the Trademarks listed on Schedule A annexed hereto and made a part hereof, together with all of the goodwill of the business symbolized by each of the Trademarks; and

WHEREAS, the Company and CIT are about to enter into a certain Financing Agreement of even date herewith (said agreement, as it may hereafter be amended, supplemented, restated or otherwise modified from time to time being the "Financing Agreement") (any capitalized terms used, but not specifically defined, herein shall have the meaning provided for such terms in the Financing Agreement); and

WHEREAS, to induce CIT to enter into the Financing Agreement and to grant the loans, advances and extensions of credit to the Company in accordance with the Financing Agreement, the Company has offered to execute and deliver this Security Agreement to CIT, granting and conveying to CIT a security interest, first in priority, upon the Collateral (as such term is hereinafter defined);

NOW, THEREFORE, in consideration of the foregoing, in consideration of the premises set forth in the Financing Agreement and in order to induce CIT to grant the loans, advances and extensions of credit to the Company in accordance with the Financing Agreement, the Company hereby agrees with CIT for its benefit as follows:

1. Certain Defined Terms. As used in this Security Agreement, unless the context otherwise requires:

(a) "Collateral": Shall mean, collectively and individually--

(i) each of the Trademarks listed on Schedule A annexed hereto and made a part hereof and the goodwill of the business symbolized by each of those Trademarks;

(ii) each of the Licenses;

(iii) all accounts, contract rights and general intangibles of the Company arising under or relating to the Licenses, whether now existing or hereafter arising,

including, without limitation, (1) all moneys due and to become due under any License, (2) any damages arising out of or for breach or default in respect of any such License, (3) all other amounts from time to time paid or payable under or in connection with any such License, and (4) the right of the Company to terminate any such License or to perform and to exercise all remedies thereunder;

(iv) any claims by the Company against third parties, and all proceeds of suits, for infringement of the Trademarks, and the rights to sue for past, present and future infringements and all rights corresponding thereto; and

(v) as to all of the foregoing (i) through (iv) inclusive, and any and all cash proceeds, non-cash proceeds and products thereof, additions and accessions thereto, replacements and substitutions therefor, and all related books, records, journals, computer print-outs and data, of the Company.

(b) "Licenses": Collectively and individually, any and all Trademark license agreements granted by the Company to third parties, whether now existing or hereafter arising, as any of same may from time to time be amended or supplemented.

(c) "Obligations": All loans, advances, indebtedness, notes, liabilities, overdrafts, outstanding letters of credit not drawn upon, letters of credit drawn upon and not yet reimbursed, outstanding acceptances, and other amounts, liquidated or unliquidated, of every kind, nature and description, whether arising under the Financing Agreement or otherwise, including, without limitation, principal and interest, and whether secured or unsecured, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter contracted.

(d) "Trademarks": Collectively and individually, all--

(i) trademarks, trade names, trade dress, service marks, and the goodwill of the business associated therewith; prints and labels on which said trademarks, trade names, trade dress and service marks have appeared or appear; designs and general intangibles of like nature, now existing or hereafter adopted or acquired; all right, title and interest therein and thereto; all applications thereof filed under Sections 1(a) and 1(b) of the Lanham Act (15 U.S.C.A. § 1051(a) and § 1051(b)); and all registrations and recordings of any of the foregoing, including, without limitation, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof, all whether now or hereafter owned or licensable by any company, including, but not limited to, those listed on Schedule A annexed hereto and made a part hereof; and

(ii) trademarks, trade names, trade dress and service marks, whether now or hereafter owned by the Company which has not or is not required to be registered or recorded in any jurisdiction; and

(iii) reissues, extensions or renewals thereof.

2. Grant of Security. To secure payment and performance of all of the Obligations of the Company to CIT, the Company hereby mortgages to and pledges to CIT and grants and conveys to CIT a security interest in all of the Company's right, title and interest in and to the Collateral, which security interest shall remain in full force and effect until all of the Obligations of the Company to CIT are fully paid and satisfied; provided, however, anything herein, in the Financing Agreement or in any other document, instrument, writing or agreement related thereto to the contrary notwithstanding, the maximum liability of the Company secured by the Collateral hereunder and under the Financing Agreement shall in no event exceed an amount equal to the largest amount that would not render the Company's obligations hereunder subject to avoidance under Section 548 of the Title 11 of the U.S. Code, as amended, or any equivalent provision of the law of any state.

3. Representations, Warranties and Covenants of the Company. The Company hereby represents, warrants, covenants and agrees as follows:

(a) Title to the Trademarks. The Company has sole, exclusive, full, clear and unencumbered right, title and interest in and to the Trademarks and the registrations of the Trademarks are valid and subsisting and in full force and effect. The Trademarks have not been abandoned, suspended, voluntarily terminated or canceled by the Company, have not been adjudged invalid or unenforceable and, to the best of the Company's knowledge, there is no reason why the Trademarks should be adjudged invalid or unenforceable.

(b) Use of the Trademarks. Except to the extent that (i) CIT, upon prior written notice by the Company shall consent, or (ii) the Company determines in its reasonable business judgment that a Trademark of the Company has negligible economic value and such Trademark is no longer utilized in the ordinary course of the Company's business, the Company (either itself or through licensees) has used and will continue to use the Trademarks 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 the Trademarks in full force free from any claim of abandonment for nonuse and the Company will not (and will not permit any licensee thereof to) do any act or knowingly omit to do any act whereby any of the Trademarks may become invalidated, abandoned, unenforceable, avoided, avoidable or otherwise diminished in value, and shall notify CIT immediately if it knows of any reason or has reason to know of any ground under which any of the foregoing may occur.

(c) License or Assignment of Trademarks. Without the prior written consent of CIT, the Company shall not license or assign any of the Trademarks to any party.

(d) Further Assurances. The Company will perform all acts and execute all further instruments and documents, including, without limitation, assignments for security in form suitable for filing with the United States Patent and Trademark Office, reasonably requested by CIT at any time to evidence, perfect, maintain, record and enforce CIT's interest in the Collateral or otherwise in furtherance of the provisions of this Security Agreement, and the Company hereby authorizes CIT to execute and file (with or without the signature of the Company) one or more financing statements (and similar documents) or copies thereof or this Security Agreement with respect to the Collateral signed only by CIT.



(e) Costs and Expenses. The Company shall pay on demand all reasonable and necessary expenses and expenditures of CIT, including, without limitation, reasonable attorney's fees and expenses, incurred or paid by CIT in protecting, enforcing or exercising its interests, rights or remedies created by, connected with or provided in this Security Agreement, or performance pursuant to this Security Agreement.

(f) Pledge of Additional Trademarks. In the event the Company, either itself or through any agent, employee, licensee or designee shall:

(i) file or record an application for the registration of any Trademark with the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof; or

(ii) file or record any assignment of any Trademark which the Company may acquire, own or license from a third party, with the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof;

the Company shall promptly, but in no event more than fifteen (15) days subsequent to such filing, notify CIT thereof, and, upon request of CIT shall promptly, but in no event more than twenty (20) days subsequent to such notice, execute and deliver any and all assignments, agreements, instruments, documents and papers as CIT may reasonably request to evidence CIT's interest in such Trademark and the goodwill of the Company relating thereto or represented thereby. The Company hereby grants CIT a power of attorney, irrevocable until the Obligations of the Company to CIT are fully paid and satisfied, to modify this Security Agreement by amending Schedule A, as applicable, to include any future Trademarks or Licenses, including, without limitation, registrations or applications appurtenant thereto, covered by this Security Agreement.

(g) Company's Authority, Etc. The Company has the right and power to mortgage and pledge the Collateral and to grant the security interest in the Collateral herein granted; and the Collateral is not now, and at all times hereafter will not be subject to any liens, licenses (other than as permitted under subparagraph 3(c) of this Security Agreement), pledges, assignments, registered license agreement, covenants not to sue by the Company or other encumbrance of any nature whatsoever (other than Permitted Encumbrances as defined in the Financing Agreement), and the Company has not received any notice from any third party claiming any right or interest in and to any of the Collateral or that the Company's use thereof infringes the rights of any third party.

(h) Negative Pledge. The Company will not, without the prior written consent of CIT, assign (by operation of law or otherwise), sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, grant an exclusive or non-exclusive license upon (other than any existing Licenses), or otherwise encumber, grant rights to any other person upon or dispose of any of the Collateral (other than Permitted Encumbrances as defined in the Financing Agreement), and nothing in this Security Agreement shall be deemed a consent by CIT to any such action except as expressly permitted herein. The Company shall defend the

Collateral against and shall take such other action as is necessary to remove any lien, security interest, claim, right or other encumbrance of any nature whatsoever in or to the Collateral, and will defend the right, title and interest of CIT in and to any of the Company's rights under the Collateral against the claims or demands of all persons whomsoever.

(i) No Additional Trademarks. As of the date hereof, the Company does not own any Trademarks, or have any Trademarks registered in or the subject of pending applications in the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, other than those grants, registrations or applications for registrations listed on Schedules A annexed hereto and made a part hereof.

(j) Additional Further Assurances. The Company will take all necessary steps in any proceeding before the United States Patent and Trademark Office or any similar office or agency in any other country, or any political subdivision thereof, (i) to maintain each registration and grant of the Trademarks and Licenses, and (ii) in accordance with its reasonable business judgment and at its expense, to halt any infringement of the Trademarks and shall properly exercise its duty to control the nature and quality of the goods offered by any licensees in connection with the Licenses.

(k) Responsibility and Liability. The Company assumes all responsibility and liability arising from the use of the Trademarks and Licenses, and hereby indemnifies and holds CIT and each director, officer, employee, affiliate and agent thereof, harmless from and against any claim, suit, loss, damage or expense (including attorneys' fees and expenses) arising out of any alleged defect in any product manufactured, promoted or sold by the Company in connection with any of the Trademarks or otherwise arising out of the Company's operation of its business from the use of the Trademarks. In any suit, proceeding or action brought by CIT under any License for any sum owing thereunder, or to enforce any provisions of such License, the Company will indemnify and keep CIT harmless from and against all expense, loss or damage suffered by reason of any defense, set off, recoupment, claim, counterclaim, reduction or liability whatsoever of the obligee thereunder or arising out of a breach of the Company of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from the Company, and all such obligations of the Company shall be and remain enforceable against and only against the Company and shall not be enforceable against CIT.

(l) CIT's Rights. CIT may, in its sole discretion, pay any amount or do any act required of the Company hereunder or requested by CIT to preserve, defend, protect, maintain, record or enforce the Company's obligations contained herein, the Obligations of the Company to CIT, the Collateral, or the right, title and interest granted CIT herein, and which the Company fails to do or pay, and any such payment shall be deemed an advance by CIT to the Company and shall be payable on demand together with interest thereon at the default rate as specified in the Financing Agreement.

(m) Protection of the Trademarks. The Company agrees that if it learns of any use by any person of any term or design likely to cause confusion with any Trademark, or of any claim of any lien, security interest, claim, right or other encumbrance of any nature whatsoever in

or to the Collateral, the Company shall promptly notify CIT of such use, lien, security interest, claim, right or other encumbrance and, if requested by CIT, shall join with CIT, at the Company's expense, in such action as CIT, in its reasonable discretion, may deem advisable for the protection of CIT's interest in and to the Trademarks, it being understood that the foregoing shall not preclude the Company from bringing an action against a person for the protection of the Company's interest in and to such Trademarks.

4. CIT's Appointment as Attorney-in-Fact.

(a) The Company hereby irrevocably constitutes and appoints CIT, 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 the Company and in the name of the Company or in its own name, from time to time in CIT's discretion, for the purposes 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, hereby gives CIT the power and right, on behalf of the Company, to do the following:

(i) To pay or discharge taxes, liens, security interests or other encumbrances 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 or the Financing Agreement and to pay all or any part of the premiums therefor and the costs thereof;

(ii) Upon the occurrence and during the continuance of an Event of Default:

(1) to ask, demand, collect, receive and give acquittances and receipts for any and all moneys due and to become due under any Licenses and, in the name of the Company or in 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 any License 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 CIT for the purpose of collecting any and all such moneys due under any License whatsoever;

(2) to direct any party liable for any payment under any of the Licenses to make payment of any and all moneys due and to become due thereunder directly to CIT or as CIT shall direct;

(3) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral;

(4) 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 part thereof and to enforce any other right in respect of any Collateral;

(5) to defend any suit, action or proceeding brought against the Company with respect to any Collateral;

(6) to settle, compromise, or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as CIT may deem appropriate;

(7) generally, to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though CIT were the absolute owner thereof for all purposes, and to do, at CIT's option, all acts and things which CIT deems necessary to protect, preserve or realize upon the Collateral and CIT's security interest therein, in order to effect the intent of this Security Agreement, all as fully and effectively as the Company might do.

(b) This power of attorney is a power coupled with an interest and shall be irrevocable. Notwithstanding the foregoing, the Company further agrees to execute any additional documents which CIT may require in order to confirm this power of attorney, or which CIT may deem necessary to enforce any of its rights contained in this Security Agreement.

(c) The powers conferred on CIT hereunder are solely to protect CIT's interests in the Collateral and shall not impose any duty upon CIT to exercise any such powers. CIT shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither CIT nor any of its officers, directors, employees or agents shall be responsible to the Company for any act or failure to act, except for CIT's own gross negligence or willful misconduct.

(d) The Company also authorizes CIT to execute, in connection with any sale provided for in this Security Agreement, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

5. Event of Default. The occurrence of any one or more of the following shall constitute an Event of Default under this Security Agreement:

(a) The occurrence of any Default or Event of Default under the Financing Agreement.

(b) A breach by the Company of any covenant contained in this Security Agreement;

(c) If any warranty or representation contained in this Security Agreement, including, without limitation, the warranties and representations contained in Section 3 of this Security Agreement, shall be incorrect in any material respect.

6. Remedies.

(a) Upon the occurrence of an Event of Default, in addition to all other rights and remedies of CIT, whether under law, in equity or otherwise (all such rights and remedies being cumulative, not exclusive and enforceable alternatively, successively or concurrently):

(i) CIT shall have all of the rights and remedies set forth in the Financing Agreement;

(ii) immediately upon CIT's written request, the Company shall not make any further use of the Trademarks or any mark similar thereto for any purposes;

(iii) CIT may, at any time and from time to time, license, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any of the Trademarks, throughout the world for such term or terms, on such conditions, and in such manner, as CIT shall in its sole discretion determine;

(iv) CIT may (without assuming any obligations or liability thereunder), at any time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of the Company in, to and under any one or more license agreements with respect to the Collateral, including, without limitation the Licenses, and take or refrain from taking any action under any license or sublicense thereof, and the Company hereby releases CIT from, and agrees to hold CIT free and harmless from and against, any claims arising out of any action taken or omitted to be taken with respect to any such license agreements;

(v) CIT may foreclose upon the Collateral for the purpose of using, assigning, selling or otherwise disposing of the Collateral or any of it, either with or without special or other conditions or stipulations, and record any documents with the United States Patent and Trademark Office necessary to evidence CIT's ownership in the Collateral;

(vi) CIT may appear before the United States Patent and Trademark Office as owner of the Collateral, without recording or filing any documents to evidence CIT's ownership in the Collateral;

(vii) whether or not CIT forecloses upon the Collateral in accordance with this Security Agreement, CIT may, at any time and from time to time, assign, sell, or otherwise dispose of, the Collateral or any of it either with or without special or other conditions or stipulations, with power to buy the Collateral or any part of it, and with power also to execute assurances, and do all other acts and things for completing the assignment, sale or disposition which CIT shall, in its sole discretion, deems appropriate or proper; and

(viii) in addition to the foregoing, in order to implement the assignment, sale or other disposal of any of the Collateral, CIT may, at any time, pursuant to the authority granted in the Special Power of Attorney (such authority becoming effective on the occurrence of an Event of Default), execute and deliver on behalf of the Company, one or more instruments of assignment of the Trademarks (or any application or registration thereof), in form suitable for

filing, recording or registration in any country. The Company agrees to pay when due all reasonable costs and expenses incurred in any such transfer of the Trademarks, including any taxes, fees and reasonable attorneys' fees, and all such costs shall be added to the Obligations of the Company to CIT. CIT may apply the proceeds actually received from any such license, assignment, sale or other disposition to the payment of the Obligations of the Company to CIT as provided for in the Financing Agreement. The Company shall remain liable for any deficiency with respect to the Obligations of the Company to CIT, which shall bear interest and be payable at the Default Rate under the Financing Agreement. The rights of the Company to receive any surplus shall be subject to any duty of CIT imposed by law to the holder of any subordinate security interest in the Collateral known to CIT. Nothing contained herein shall be construed as requiring CIT to take any such action at any time.

(b) Notwithstanding anything contained in this Security Agreement to the contrary, CIT shall not foreclose upon, dispose of or be deemed the owner of any Trademark unless and until CIT has provided the Company with ten (10) days' advance written notice of its intent to foreclose upon, dispose of or take an ownership interest in any Trademark. Any writing given by CIT to the Company under this paragraph 6 must make explicit reference to this Security Agreement and of CIT's intent to exercise its rights and remedies hereunder.

7. Execution of Special Power of Attorney. Concurrently with the execution and delivery of this Security Agreement, the Company is executing and delivering to CIT a certain Special Power of Attorney for the implementation of the sale, assignment, licensing or other disposition of the Collateral pursuant to this Security Agreement.

8. Amendments and Modification. No provision hereof shall be modified, altered, waived or limited except by a written instrument expressly referring to this Security Agreement and executed by the party to be charged.

9. Binding Nature. This Security Agreement shall be binding upon and inure to the benefit of the successors, assigns or other legal representatives of the Company, and shall, together with the rights and remedies of CIT hereunder, be binding upon and inure to the benefit of CIT, its successors, assigns or other legal representatives.

10. **GOVERNING LAW. THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS FINANCING AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES.**

11. Notices. All notices, requests, demands and other communications provided for hereunder shall be in writing (unless otherwise expressly provided herein) and shall be sent and deemed to have been received as set forth in the Financing Agreement.

12. Continuing Security Interest; Assignments. This Security Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until payment in full in cash or in another manner acceptable to CIT and termination of the Obligations of the Company to CIT, (b) be binding upon and inure to the benefit of, and be

enforceable by, the Company, its successors and assigns, and (c) be binding upon and inure to the benefit of, and be enforceable by, CIT and its successors, transferees and assigns. Upon the payment in full in cash or in another manner acceptable to CIT and termination of the Obligations of the Company to CIT then outstanding, the security interest granted hereby shall terminate and all rights granted as security in the Collateral to CIT shall revert to the Company. Upon any such termination, CIT will, at Company's expense, execute and deliver to the Company such documents as the Company shall reasonably request to evidence such termination.

13. Counterparts. This Security Agreement may be executed in counterparts, each of which, when taken together, shall be deemed one and the same instrument.

14. Headings. Section headings herein are included for convenience of reference only and shall not constitute a part of this Security Agreement for any other purpose.

15. Acknowledgment of Receipt. The Company acknowledges receipt of a copy of this Security Agreement.

16. No Waiver. No course of dealing between the Company and CIT, and no delay or omission of CIT in exercising or enforcing any of CIT's rights and remedies hereunder shall constitute a waiver thereof; and no waiver by CIT of any Event of Default shall operate as a waiver of any other Event of Default.

17. Severability. If any of the provisions of this Security Agreement shall contravene or be held invalid under the laws of any jurisdiction, this Security Agreement shall be construed as if not containing such provisions and the rights, remedies, warranties, representations, covenants, and provisions hereof shall be construed and enforced accordingly in such jurisdiction and shall not in any manner affect such provision in any other jurisdiction, or any other provisions of this Security Agreement in any jurisdiction.


18. Interest Granted to CIT. Notwithstanding any provision of this Security Agreement to the contrary, the interest granted to CIT under this Security Agreement is intended to be a pledge and a security interest only, and the execution of this Security Agreement is not intended to create an assignment or a transfer of title or any other property rights to the Trademarks.

19. WAIVER OF JURY TRIAL. THE COMPANY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS SECURITY AGREEMENT.


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IN WITNESS WHEREOF, the Company has caused this Security Agreement to be duly executed as of the day and year first above written.

WITNESS:

  
\_\_\_\_\_  
Paul C. Taylor

HERMES U.S., INC.

By:   
\_\_\_\_\_  
Name: Mark I. Massad  
Title: Executive Vice Pres. & CFO



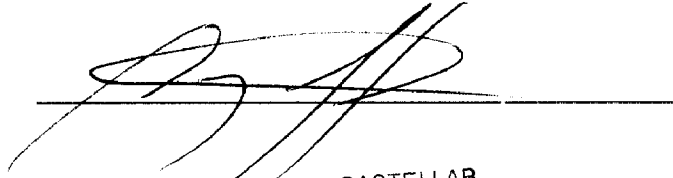
CORPORATE ACKNOWLEDGMENT

STATE OF NEW YORK     )  
  ) :ss.  
COUNTY OF NEW YORK )

I certify that on the 13<sup>th</sup> day of June, 2003, Mark I. Massad personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) this person signed and delivered this document as the Executive Vice President & CFO of Hermes U.S., Inc., the corporation named in this document; and

(b) this document was signed and delivered by the corporation as its voluntary act duly authorized by a proper resolution of its Board of Directors.



SEGISMUNDO CASTELLAR  
Notary Public, State of New York  
No. 01CA5032224  
Qualified in Queens County  
Certificate Filed in New York County  
Commission Expires Aug. 22, 2006

SCHEDULE A TO SECURITY AGREEMENT

TRADEMARKS

U.S. TRADEMARK REGISTRATIONS

<u>Trademark</u>	<u>Registration Number</u>
LANDER	650,237
BLUE PETALS	771,259
BETTY BUBBLES	793,045
DOROTHY REED	840,145
LANDER	869,475
LANDER	872,459
DIXIE PEACH	910,729
BLACK ORCHID (Stylized)	1,089,523
LANDER	1,107,685
LANDER	1,621,962
LANDER	1,623,203
LANDER	1,682,578
LANDER	1,833,100
POLAR ICE	1,843,464
Design of Three Stripes	1,987,334
KIDDIE	1,989,751
LANDER GRAPEFRUIT ESSENCE	2,020,569
LANDER PEACH ESSENCE	2,023,486
LANDER STRAWBERRY ESSENCE	2,023,487
LANDER VANILLA ESSENCE	2,095,765
SOMERSET NATURALS	2,139,809
SPRING GARDEN	2,178,682
ALPHA BALANCE	2,209,467
ELIZABETH POST	2,215,540
LANDER	2,232,073
JUNGLE TANGO	2,281,827
Design of Three Stripes	2,298,326
SOUR GREEN APPLE	2,308,101
GOOFY GRAPE	2,314,009
WACKY WATERMELON	2,316,199
BANANA BONKERS	2,320,961
Design of Lion and Snake	2,323,706
Design of Grapes	2,323,707
Design of Banana	2,323,708
Design of Watermelon	2,323,718
Design of Strawberries	2,325,880
HAWAIIAN TUTTI-FRUTTI	2,328,634
Design of Apple	2,335,071

## U.S. TRADEMARK REGISTRATIONS

<u>Trademark</u>	<u>Registration Number</u>
Design of PineApple, Strawberry and Apple	2,367,832
Design of Bottle	2,394,831
AGAINST CRUELTY and Design	2,448,014
Design of Bottle	2,452,700
CORAL SPRINGS NATURAL COLLECTION	2,453,370
COSMIC CHERRY	2,465,361
ORBITING ORANGE	2,465,362
LANDER NATURALS and Design	2,467,685
SILKY HEAT	2,476,418
WATERMELON WAVES	2,517,111
SURFIN' STRAWBERRY	2,517,112
ICICLES	2,524,771
LILACS AND ROSES	2,541,861
THE PLACE FOR OUT OF THIS WORLD FUN	2,556,493
APRICOT-WAVE	2,643,973
ISLAND BOUQUET	2,666,317
BEACH BERRY	2,684,353

## U.S. TRADEMARK APPLICATIONS (Evidence of Use Filed)

<u>Trademark</u>	<u>Application Number</u>
CORAL SPRINGS	75/574,127
HOLLYWOOD PUNCH	76/137,813

## U.S. TRADEMARK APPLICATIONS (INTENT-TO-USE)

<u>Trademark</u>	<u>Application No.</u>
ELIZABETH POST	75/563,636
KIDS ZONE THE PLACE FOR OUT OF THIS WORLD FUN! and Design	75/641,838
KIDS ZONE THE PLACE FOR OUR OF THIS WORLD FUN! and Design	75/728,750
THE PLACE FOR OUT OF THIS WORLD FUN!	75/728,751
VIENNA SPRINGS NATURALS	75/778,015
COOL MELON	75/854,231
KIDS CLUB	75/854,232
BEST FRIENDS FOREVER	75/877,902
CRAZY GRAPE	75/877,903
REALLY FRESH	75/879,697
KIDS CLUB THE CLUB THAT IS JUST FOR KIDS!	75/892,995





**WORLDWIDE REGISTRATIONS/APPLICATIONS (OTHER THAN U.S. & CANADA)**

<b><u>Country</u></b>	<b><u>Mark</u></b>	<b><u>Reg./App. No.</u></b>	<b><u>Renewal Date</u></b>
Barbados	LANDER	81/9399	10/26/09
“	LANDER	81/8435	2/25/09
Belarus	LANDER	3821	11/11/04
Belize	LANDER	6853	11/14/07
Benelux	LANDER	89648	12/9/11
Bolivia	LANDER	34549	7/7/05
“	DIXIE PEACH	44992	8/1/06
Bophuthatswana	DIXIE PEACH	66/0778	3/3/06
Bosnia- Herzegovina	LANDER	BAZ983399A	APP
Brazil	LANDER	004044800	5/25/10
Brunei	ELIZABETH POST	BRU/18576	6/23/13
“	LANDER	BRU/18575	6/23/13
Bulgaria	LANDER	20054	3/13/11
Cambodia	LANDER	5912	6/23/05
“	LANDER	5913	6/23/05
Cayman Islands	LANDER	B1447249	11/14/07
Chile	ELIZABETH POST	424460	3/31/04
“	LANDER	284696	4/19/04
“	LANDER	463441	7/2/06
“	LANDER CHLOROPHYLL DEODORANT LABEL	420465	1/21/04

**WORLDWIDE REGISTRATIONS/APPLICATIONS (OTHER THAN U.S. & CANADA)**

<u>Country</u>	<u>Mark</u>	<u>Reg./App. No.</u>	<u>Renewal Date</u>
“	MATISSE	579870	10/23/10
China P.R.	LANDER	1277699	5/28/09
“	LANDER	135717	3/20/10
“	LANDER	1488365	12/14/10
Colombia	LANDER	46033A	5/14/10
“	LANDER	46033	5/13/10
“	LANDER Plastic Stick Deodorant Bottle (Label)	64530	5/29/07
Costa Rica	LANDER	78833	3/17/12
“	LANDER	18090	8/22/06
“	MATISSE	101137	4/30/07
“	MATISSE	101138	4/30/07
Croatia	POLAR ICE	Z20010017	1/8/11
CTM: European Union	LANDER	211441	4/1/06
“	Design of Three Stripes	211417	4/1/06
Cuba	LANDER	188/2002	APP
“	LANDER'S	120245	5/14/13
Czech Republic	LANDER	170752	3/29/11
“	POLAR ICE	215350	4/14/08
“	MATISSE	205599	5/15/06
Dominica	LANDER	31/94	4/29/08
“	LANDER	32/94	4/29/08

**WORLDWIDE REGISTRATIONS/APPLICATIONS (OTHER THAN U.S. & CANADA)**

<u>Country</u>	<u>Mark</u>	<u>Reg./App. No.</u>	<u>Renewal Date</u>
Djibouti	LANDER	AJ VOL 101 F935	6/13/05
Dominican Republic	ELIZABETH POST	57710	7/15/13
“	LANDER	11112	1/13/10
“	DIXIE PEACH	57060	5/15/13
Ecuador	LANDER COMPANY INC	36/219	Commercial name
“	LANDER	3146-92	3/22/11
Egypt	LANDER	89873	2/3/04
“	LANDER	89872	2/3/04
Estonia	LANDER	10844	12/29/10
Fiji Islands	LANDER (Stylized)	27247	11/1/09
“	LANDER (Stylized)	27248	11/1/09
Finland	LANDER	132675	7/5/04
France	LANDER	1627939	11/15/10
“	LANDER	1409327	5/17/07
“	DIXIE PEACH	1722039	5/27/10
“	LANDER	93490149	10/29/03
Gambia	LANDER	45/4/96	APP
“	LANDER	44/4/96	APP
Gaza	LANDER	2713	3/20/16
“	LANDER	2712	3/20/16



**WORLDWIDE REGISTRATIONS/APPLICATIONS (OTHER THAN U.S. & CANADA)**

<u>Country</u>	<u>Mark</u>	<u>Reg./App. No.</u>	<u>Renewal Date</u>
Great Britain	LANDER	B1447249	11/14/07
“	DIXIE PEACH	B963946	8/18/05
“	LANDEL	845147	2/14/08
Georgia	LANDER	9711	6/11/08
Germany	LANDER	852581	10/31/11
Ghana	LANDER	19852	4/28/10
Grenada	LANDER	102 of 1992	11/14/07
Guinea-Bissau	LANDER	32925	6/25/03
Guinea Republic	LANDER	418/138	5/10/10
“	DIXIE PEACH	418/148	5/10/10
Guyana	LANDER	7557A	7/2/04
“	DIXIE PEACH	7558A	7/2/04
Haiti	LANDER	192/98	1/14/04
Haiti	LANDER	193/98	1/14/04
Honduras	LANDER	60728	11/17/04
Hong Kong	LANDER	152/1965	10/14/10
Hungary	LANDER	132001	11/9/10
India	LANDER	615893	1/5/08
“	LANDER	615894	1/5/08
Indonesia	LANDER	267224	8/14/11
“	MATISSE	392312	8/1/06



**WORLDWIDE REGISTRATIONS/APPLICATIONS (OTHER THAN U.S. & CANADA)**

<u>Country</u>	<u>Mark</u>	<u>Reg./App. No.</u>	<u>Renewal Date</u>
Latvia	LANDER	M15911	4/20/13
Lebanon	LANDER	38873	5/21/10
Liberia	LANDER	3293/860	2/3/08
“	DIXIE PEACH	3293/861	2/3/08
Libya	LANDER	12758	7/26/11
“	LANDER	12757	7/26/11
Liechtenstein	LANDER	8053	4/15/11
Lithuania	LANDER	8000	2/23/13
Macao	LANDER	13.062	9/26/04
“	LANDER	13.063	11/15/03
“	LANDER	13.061	9/26/04
“	LANDER	13.064	11/15/03
Macedonia	LANDER	06578	10/31/05
Malta	LANDER (Stylized)	13879	5/15/07
“	LANDER (Stylized)	20573	5/8/05
Mauritius	LANDER	A/37NO165	5/25/16
Malaya	LANDER	M/B77025	11/23/08
Malaysia	ELIZABETH POST	92/04318	6/25/09
“	LANDER	92/04319	6/25/09
Mexico	ELIZABETH POST	663994	12/19/07
“	ELIZABETH POST	467504	3/9/12

**WORLDWIDE REGISTRATIONS/APPLICATIONS (OTHER THAN U.S. & CANADA)**

<u>Country</u>	<u>Mark</u>	<u>Reg./App. No.</u>	<u>Renewal Date</u>
“	LANDER	451511	3/9/12
“	LANDER	428473	3/9/12
“	MATISSE	525315	5/24/06
“	MATISSE	597061	5/24/06
“	SILKY HEAT	475403	APP
“	LANDER PLUS & Design	744258	4/16/11
“	LANDER PLUS & Design	732702	11/14/11
“	LANDER PLUS & Design	713454	4/16/11
“	LANDER PLUS & Design	711276	4/16/11
“	LANDER PLUS & Design	717053	4/16/11
Moldova	LANDER	4539	5/24/05
Montserrat	LANDER	1289	11/14/11
Morocco	ELIZABETH POST	18992	11/12/05
“	LANDER	52343	10/21/13
Namibia	LANDER	94/0161	2/9/04
“	LANDER	94/0160	2/9/04
Netherlands/ Antilles	DIXIE PEACH	5780	7/28/15
Nepal	LANDER	10111/051	9/29/08
“	LANDER	9815/051	6/21/08
New Zealand	LANDER	B252940	8/29/16

**WORLDWIDE REGISTRATIONS/APPLICATIONS (OTHER THAN U.S. & CANADA)**

<u>Country</u>	<u>Mark</u>	<u>Reg./App. No.</u>	<u>Renewal Date</u>
“	LANDER	B252939	8/29/16
Nicaragua	LANDER	18212	8/30/08
“	LANDER CHLOROPHYLL STICK DEODORANT	10403	5/4/10
Nigeria	LANDER	27700	12/16/07
“	DIXIE PEACH	18677	10/23/07
Norway	LANDER	156148	4/29/13
O.A.P.I.	LANDER	32925	6/25/13
Oman	LANDER	9790	APP
“	LANDER	9789	APP
Pakistan	ELIZABETH POST	54298	10/3/07
“	LANDER	51312	4/3/06
Panama	LANDER	7510	7/9/12
“	DIXIE PEACH	30523	12/15/12
“	DIXIE PEACH	30521	12/15/12
“	MATISSE	083806	11/6/06
Papua New Guinea	LANDER	B57812	9/22/13
“	LANDER	B57811	9/22/13
Paraguay	LANDER	212896	12/1/08
Peru	LANDER	007239	3/16/04
“	LANDER CHLOROPHYLL STICK DEODORANT (label)	007089	3/28/04

**WORLDWIDE REGISTRATIONS/APPLICATIONS (OTHER THAN U.S. & CANADA)**

<u>Country</u>	<u>Mark</u>	<u>Reg./App. No.</u>	<u>Renewal Date</u>
Philippines	ELIZABETH POST	59083	8/11/14
“	LANDER	63645	8/13/16
“	DIXIE PEACH	4-1996-107672	12/13/19
Poland	LANDER	R-75396	6/13/11
“	POLAR ICE	Z-229844	APP
Portugal	LANDER	178177	2/25/13
“	LANDER	178176	2/25/13
“	Lander Label Design	135001	6/24/07
Puerto Rico	LANDER	34055	2/8/04
“	LANDER	34054	2/8/04
Qatar	LANDER	11665	3/8/04
“	LANDER	11666	3/8/04
Romania	LANDER	R19283	9/16/11
Russian Federation	LANDER	97446	12/29/10
South Africa	LANDER	B63/3111	9/17/07
“	DIXIE PEACH & Design	53/1387	5/13/07
“	DIXIE PEACH	66/0778	3/3/06
El Salvador	LANDER	208	1/23/07
“	LANDER	138	1/17/07
Saudi Arabia	LANDER	309/78	9/14/12
“	MATISSE	409/9	4/24/06

**WORLDWIDE REGISTRATIONS/APPLICATIONS (OTHER THAN U.S. & CANADA)**

<u>Country</u>	<u>Mark</u>	<u>Reg./App. No.</u>	<u>Renewal Date</u>
“	MATISSE	409/8	4/24/06
Sierra Leone	LANDER	14154	11/14/07
“	DIXIE PEACH	7312	11/10/07
Singapore	LANDER	T92/04530B	6/17/12
Slovenia	LANDER	9571087	9/6/05
Slovak Republic	LANDER	170752	3/29/11
“	POLAR ICE	198773	1/10/11
Spain	LANDER	1689159	3/9/12
“	LANDER CO INC	691743	10/31/12
Sri Lanka	LANDER	68982	1/12/04
“	LANDER	75446	8/23/05
St. Kitts-Nevis	LANDER	2 of 1994	11/14/07
St. Lucia	LANDER	189/1993	9/24/07
St. Lucia	LANDER	188/1993	9/24/07
St. Vincent	LANDER	B1447249	11/14/04
Sudan	LANDER	25354	9/7/06
“	LANDER	25355	9/7/06
Suriname	LANDER	4948	9/6/05
“	DIXIE PEACH	4949	9/6/05
“	POLAR ICE	Not Available	APP
Switzerland	MAC GREGOR	316068	1/9/12

**WORLDWIDE REGISTRATIONS/APPLICATIONS (OTHER THAN U.S. & CANADA)**

<u>Country</u>	<u>Mark</u>	<u>Reg./App. No.</u>	<u>Renewal Date</u>
“	LANDER	P315219	10/12/11
Syria	LANDER	16434	11/16/05
Turks & Caicos	LANDER	10946	9/17/07
“	LANDER	10947	9/17/07
Tajikistan	LANDER	3128	10/4/05
Taiwan	LANDER	993909	3/31/12
“	LANDER	175349	4/1/12
“	LANDER (in Chinese Characters)	904871	9/16/10
“	LANDER	923913	1/16/11
Thailand	LANDER	35410	6/24/05
“	MATISSE	TM61562	8/6/06
Turkmenistan	LANDER	3944	3/28/10
Tonga	LANDER	TO/T/00/00015	APP
Trinidad & Tobago	LANDER	B4242	6/13/09
“	DIXIE PEACH	B3246	7/19/07
Turkey	LANDER	156523	4/30/04
United Arab Emirates	LANDER	6100	5/31/05
Uganda	LANDER	19949	3/26/17
“	LANDER	19948	3/26/17
Ukraine	LANDER	9480	11/19/03



**WORLDWIDE REGISTRATIONS/APPLICATIONS (OTHER THAN U.S. & CANADA)**

<u>Country</u>	<u>Mark</u>	<u>Reg./App. No.</u>	<u>Renewal Date</u>
Uruguay	ELIZABETH POST	262881	10/27/03
“	LANDER	206596	2/25/06
Uzbekistan	LANDER	5852	11/2/05
Venezuela	Lander Label Design	41688-F	6/26/07
“	LANDER	131185	9/22/12
British Virgin Islands	LANDER	2722	8/10/08
“	LANDER	1263	11/14/07
Vietnam	LANDER	19751	6/22/05
“	MATISSE	24181	5/30/06
US Virgin Is.	LANDER	6700	11/13/10
West Bank	LANDER	3538	6/20/16
“	LANDER	3539	6/20/16
Yemeni Republic	LANDER	3767	3/23/04
“	LANDER	3768	3/23/04
Yugoslavia (now Serbia and Montenegro)	LANDER	37560	3/1/11
Zaire (now Democratic Republic of Congo)	LANDER	5393/96	4/8/06
Zanzibar	LANDER	12/96	2/16/10
“	LANDER	13/96	2/16/10