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102610095

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

1. Name of conveying Party(ies):  
Better Nutrition, Inc.

Individual(s)                       Association  
 General partnership               Limited Partnership  
 Corporation-State VA  
 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: October 14, 2003

2. Name and address of receiving Party(ies)

Name: MCG Capital Corporation

Internal Address: Suite 3000

Street Address: 1100 Wilson Boulevard

City: Arlington State: VA ZIP: 22209

Individual(s) Citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State DE  
 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)

Additional numbers attached?  Yes  No

B. Trademark Registration No's

2,102,728 (Better Nutrition) [Words Only]  
2,128,341 (Better Nutrition) [Design]  
2,228,410 (Naturally the Right Choice)

COPY FINANCE

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

Name: MCG Capital Corporation

Internal Address: Legal Affairs Division

Street Address:  
1100 Wilson Boulevard, Suite 3000

City: Arlington State: VA ZIP: 22209

6. Total Number of applications and registrations involved: 3

7. Total fee (37 CFR 3.41):.....\$ 90.00

Enclosed  
 Authorized to be charged to deposit account

8. Deposit Account number: \_\_\_\_\_

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

DO NOT USE THIS SPACE

9. State 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.*

*Kara Parmelee*                      November 21, 2003  
 Name of Person Signing                      Signature                      Date

Total number of pages including this cover sheet and any attachments: 25

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

**Commissioner of Patents and Trademarks  
 Box Assignments  
 Washington, D.C. 20231**

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

11/25/2003 LMULLER 00000073 2102728

01 FC:8521                      40.00 OP  
 02 FC:8522                      50.00 OP

**TRADEMARK  
 REEL: 002869 FRAME: 0706**

**SCHEDULE C**

**TRADEMARK COLLATERAL**

**I. Registered Trademarks**

| <u>Trademark Description</u>  | <u>Country</u> | <u>Registration Number</u> |
|-------------------------------|----------------|----------------------------|
| Better Nutrition (Words Only) | United States  | 2,102,728                  |
| Better Nutrition (Design)     | United States  | 2,128,341                  |
| Naturally the Right Choice    | United States  | 2,228,410                  |

**II. Pending Trademark Applications**

| <u>Trademark Description</u>                          | <u>Atty. Docket Number</u> | <u>Country</u> | <u>Serial Number</u> | <u>Filing Date</u> | <u>Status</u> |
|---|----------------------------|----------------|----------------------|--------------------|---------------|
| Better Nutrition Natural Solutions for Healthy Living |                            | United States  | 76/403,881           | 5/6/02             |               |

**III. Trademark Licenses**

| <u>Registration Number</u> | <u>Mark</u> | <u>Country</u> | <u>Licensor</u> | <u>Licensee</u> | <u>Effective Date</u> | <u>Expiration Date</u> |
|----------------------------|-------------|----------------|-----------------|-----------------|-----------------------|------------------------|
| N/A                        |             |                |                 |                 |                       |                        |

DETROIT 46514-2 757217

# INTELLECTUAL PROPERTY SECURITY AGREEMENT

**THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT** (as may be amended, supplemented and otherwise modified from time to time, "IP Security Agreement") is made and effective as of October 14, 2003, by **BETTER NUTRITION, INC.** (including any successor or permitted assignee thereof, "Grantor"), in favor of MCG CAPITAL CORPORATION (including any successor, participant, assignee or transferee thereof, "Administrative Agent"), as administrative agent for itself and the Lenders (as defined in the Credit Agreement referred to below).

## RECITALS

**WHEREAS**, Grantor and certain affiliated entities (each, a "Borrower"; collectively, the "Borrowers") desire and have applied to Administrative Agent and the Lenders for a senior secured credit facility consisting of a \$6,200,000 Term Loan A Facility and a \$4,000,000 Term Loan B Facility; and

**WHEREAS**, pursuant to that certain Credit Facility Agreement by and among Borrowers, Lenders and Administrative Agent dated as of October 14, 2003 (as may be amended from time to time, "Credit Agreement"), a condition precedent to the obligation of the Administrative Agent or any Lender to execute and perform under the Credit Agreement is that Borrowers shall have executed and delivered that certain Master Security Agreement, Collateral Assignment and Equity Pledge executed by Borrowers in favor of Administrative Agent for the benefit of Administrative Agent and the Lenders dated as of October 14, 2003 (as may be amended from time to time, "Security Agreement") encumbering all of Borrowers' tangible and intangible personal property assets in favor of Administrative Agent for the benefit of Administrative Agent and the Lenders; and

**WHEREAS**, under the terms of the Security Agreement, Grantor has agreed to assign certain intellectual property to Administrative Agent for purposes of securing the obligations to Administrative Agent and the Lenders under the Credit Agreement and related Loan Documents; and

**WHEREAS**, Grantor has determined that it is in its best interest to execute this IP Security Agreement inasmuch as Grantor will derive substantial direct and indirect benefits from the funding of the Advances by Administrative Agent pursuant to the Credit Agreement;

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Grantor and Administrative Agent hereby agree as follows:

1. Grant. Grantor hereby grants to Administrative Agent an absolute, present, unconditional, continuing first priority security interest in and to Grantor's entire right, title and interest in and to the following property and rights (collectively, the "Collateral"):

(a) The U.S., state and foreign copyrights, associated copyright registrations and applications for copyright registration, and copyright licenses set forth on Schedule A attached hereto (collectively, the "Copyrights"); and

(b) The U.S., state and foreign patents and patent applications, and patent licenses set forth on Schedule B attached hereto, including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same (collectively, the "Patents"); and

(c) The U.S., state and foreign trademark and service mark registrations, trademark and service mark applications (except for "intent to use" applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, unless and until an Amendment to Allege Use or a Statement of Use under Section 1(c) and 1(d) of said Act has been filed), and trademark and service mark licenses set forth on Schedule C attached hereto (including all associated goodwill, collectively, the "Trademarks"); and

(d) Any and all claims and causes of action for past, present or future infringement of any of the Collateral, with the right, but not the obligation, to sue for and collect damages for infringement of the Collateral; and

(e) Any and all licenses or rights granted under any of the Collateral, and all license fees and royalties arising from such licenses or rights, to the extent permitted by such licenses or rights; and

(f) Any and all amendments, renewals, extensions, reissuances and replacements of any of the Collateral; and

(g) Any and all products and proceeds of any of the foregoing.

2. Requested Recordation. Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks (and any state, foreign or other authorities to which this IP Security Agreement is submitted) to file and record this IP Security Agreement (and any corresponding or separate application forms of such jurisdiction) in order to publicly reflect Administrative Agent's interest in the Collateral.

3. Assignment. Upon the occurrence and during the continuance of an Event of Default (as defined in the Security Agreement), Grantor shall execute and deliver to Administrative Agent an absolute assignment transferring its entire right, title, and interest in and to the Collateral to Administrative Agent.

4. Power of Attorney. Grantor hereby irrevocably grants Administrative Agent a power of attorney, to act as Grantor's attorney-in-fact, with full authority in the name, place and stead of Grantor, from time to time in Administrative Agent's discretion regardless of whether a Default or Event of Default is occurring:

(a) To modify or amend (in Administrative Agent's sole discretion and without first obtaining Grantor's approval of or signature thereto) Schedule A, Schedule B,

and/or Schedule C hereof, as appropriate, to include references to any registered intellectual property (or application or license therefor) acquired by Grantor after the execution hereof or to delete any reference to any Collateral in which Grantor no longer has or claims any right, title or interest; and

(b) To execute, file and pursue (in Administrative Agent's sole discretion and without first obtaining Grantor's approval of or signature thereto, unless otherwise prohibited by applicable law) any application, form or other document in order to perfect, maintain, continue or otherwise protect Administrative Agent's interest or Grantor's rights in the Collateral, including, without limitation, executing and filing (i) any financing statement, any continuation statement or any amendment thereto, and (ii) any document in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or the relevant office of any state or foreign jurisdiction (including, without limitation, the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings) and to pay any fees and taxes in connection therewith or otherwise; and

(c) To execute any assignment or other document required to acknowledge, register or perfect Administrative Agent's interest in any part of the Collateral without the signature of Grantor unless prohibited by applicable law.

Grantor also hereby irrevocably grants Administrative Agent a power of attorney, to act as Grantor's attorney-in-fact, with full authority in the name, place and stead of Grantor, from time to time in Administrative Agent's discretion after the occurrence and during the continuance of an Event of Default, to take any other action and to execute any other instrument which Administrative Agent may deem reasonably necessary or advisable to accomplish the purposes of the Security Agreement or this IP Security Agreement.

The foregoing power of attorney is coupled with an interest and is irrevocable.

5. Release. The security interest granted herein will terminate (and all rights to the Collateral will revert to Grantor) upon satisfaction of the following conditions:

(a) payment and performance in full of all the obligations secured hereby (unconditionally and indefeasibly) and (b) the termination of the Credit Agreement (and the Facilities thereunder). Upon any such termination, Administrative Agent (at Grantor's request) will execute and deliver to Grantor (without any representation, warranty or recourse of any kind whatsoever) such documents as Grantor may reasonably request and provide to Administrative Agent to evidence such termination.

6. Miscellaneous. This IP Security Agreement has been entered into in conjunction with the provisions of and the security interest granted to Administrative Agent under the Security Agreement. The rights and remedies of Grantor and Administrative Agent with respect to the security interest granted herein are in addition and without prejudice to those set forth in the Security Agreement and the Credit Agreement, all terms and provisions of which are hereby incorporated herein by reference. This IP Security Agreement may be executed in any number of counterparts with the same effect as if all the signatures on such counterparts appeared on one document; each such counterpart will be deemed to be an original but all counterparts

together will constitute one and the same instrument. In the event that any provisions of this IP Security Agreement are deemed to conflict with the Security Agreement or the Credit Agreement, the provisions of the Security Agreement or Credit Agreement shall govern.

IN WITNESS WHEREOF, the parties hereto have executed this IP Security Agreement, as an instrument under seal (whether or not any such seals are physically attached hereto), through their duly authorized officers, as of the date first written above.

**BETTER NUTRITION, INC.**

(as Grantor)

By: \_\_\_\_\_

Name: Steven Gimbalist III

Title: President

Address: c/o Wind Point Partners  
One Town Square  
Suite 780  
Southfield, MI 48076

Telephone: (248) 745-7200

Facsimile: (248) 745-7220

**MCG CAPITAL CORPORATION**

(as Administrative Agent)

By: \_\_\_\_\_

Name: Andrew Jacobson

Title: Managing Director

Address: 1100 Wilson Boulevard  
Suite 3000  
Arlington, VA 22209

Telephone: (703) 247-7500

Facsimile: (703) 247-7505

**IN WITNESS WHEREOF**, the parties hereto have executed this IP Security Agreement, as an instrument under seal (whether or not any such seals are physically attached hereto), through their duly authorized officers, as of the date first written above.

**BETTER NUTRITION, INC.**

(as Grantor)

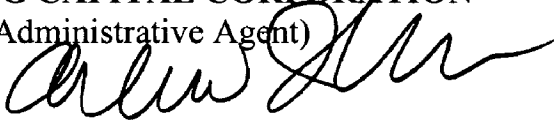
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: c/o Wind Point Partners  
One Town Square  
Suite 780  
Southfield, MI 48076

Telephone: ( ) \_\_\_\_ - \_\_\_\_  
Facsimile: ( ) \_\_\_\_ - \_\_\_\_

**MCG CAPITAL CORPORATION**

(as Administrative Agent)

By:  \_\_\_\_\_  
Name: Andrew Jacobson  
Title: Managing Director

Address: 1100 Wilson Boulevard  
Suite 3000  
Arlington, VA 22209

Telephone: (703) 247-7500  
Facsimile: (703) 247-7505



ACKNOWLEDGMENT

STATE OF Commonwealth of Virginia : SS  
COUNTY OF Henrico :

Before me, the undersigned, a Notary Public, on this 22<sup>nd</sup> day of October, 2003, personally appeared Efrem Zimbalist III to me known personally, who, being by me duly sworn, did say that he/she is the President of **BETTER NUTRITION, INC.**, and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said **BETTER NUTRITION, INC.** by authority of its board of directors, and the said President acknowledged said instrument to be his/her free act and deed.

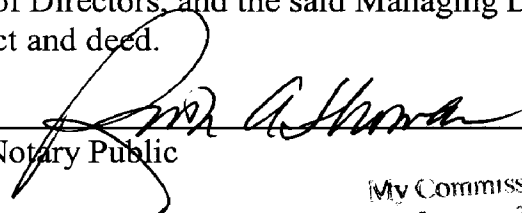
Julia M. Rouse  
Notary Public

My Commission Expires: May 31, 2005

**ACKNOWLEDGEMENT**

COMMONWEALTH OF VIRGINIA :  
: SS  
COUNTY OF ARLINGTON :

Before me, the undersigned, a Notary Public, on this 14<sup>th</sup> day of October, 2003, personally appeared Andrew Jacobson to me known personally, who, being by me duly sworn, did say that he is the Managing Director of **MCG CAPITAL CORPORATION**, and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said MCG Capital Corporation by authority of its Board of Directors, and the said Managing Director acknowledged said instrument to be his free act and deed.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires: January 31, 2004

**SCHEDULE A**

**COPYRIGHT COLLATERAL**

Better Nutrition, Inc.

**I. Registered Copyrights**

| <u>Copyright Title</u>   | <u>Registration Number</u> | <u>Registration Date</u> |
|--|----------------------------|--------------------------|
| Issue: v. 63, no. 3, Mar01<br>Issue: v. 63, no. 4 Apr01<br>Issue: v. 63, no. 5 May01     | TX-5-355-122               | July 16, 2001            |
| Issue: v. 63, no. 6, Jun01<br>Issue: v. 63, no. 7, Jul01<br>Issue: v. 63, no. 8, Aug01   | TX-5-355-125               | July 16, 2001            |
| Issue: v. 62, no. 3, Mar00<br>Issue: v. 62, no. 4, Apr00<br>Issue: v. 62, no. 5, May00   | TX-5-242-320               | January 31, 2001         |
| Issue: v. 62, no. 6, Jun00<br>Issue: v. 62, no. 7, Jul00<br>Issue: v. 62, no. 8, Aug00   | TX-5-235-680               | February 01, 2001        |
| Issue: v. 62, no. 9, Sep00<br>Issue: v. 62, no. 10, Oct00<br>Issue: v. 62, no. 11, Nov00 | TX-5-235-676               | January 31, 2001         |
| Issue: v. 62, no. 12, Dec00<br>Issue: v. 63, no. 1, Jan01<br>Issue: v. 63, no. 2, Feb01  | TX-5-242-323               | January 31, 2001         |
| Issue: v. 61, no. 11, Nov99<br>Issue: v. 61, no. 12, Dec99                               | TX-5-051-733               | February 14, 2000        |
| Issue: v. 62, no. 1, Jan00<br>Issue: v. 62, no. 2, Feb00                                 | TX-5-051-732               | February 14, 2000        |

**II. Pending Copyright Applications**

| <u>Copyright Title</u> | <u>Application Number</u> | <u>Filing Date</u> | <u>Date of Creation</u> | <u>Date of Publication</u> |
|------------------------|---------------------------|--------------------|-------------------------|----------------------------|
| N/A                    |                           |                    |                         |                            |

**III. Unregistered Copyrights**

| <u>Copyright Title</u> | <u>Date of Creation</u> | <u>Date of Publication</u> | <u>Original Author/Owner</u> | <u>Date and Recordation Number of Assignment to Grantor</u> | <u>Date of Expected Registration (if applicable)</u> |
|------------------------|-------------------------|----------------------------|------------------------------|---|--|
| N/A                    |                         |                            |                              |   |  |

**IV. Copyright Licenses**

| <u>Copyright</u> | <u>Licensor</u> | <u>Licensee</u> | <u>Effective Date</u> | <u>Expiration Date</u> | <u>Subject Matter</u> |
|------------------|-----------------|-----------------|-----------------------|------------------------|-----------------------|
| N/A              |                 |                 |                       |                        |                       |

**SCHEDULE B**  
**PATENT COLLATERAL**

**I. Patents**

| <u>Patent</u><br><u>Number</u> | <u>Country</u> | <u>Issue</u><br><u>Date</u> | <u>Title</u> |
|--------------------------------|----------------|-----------------------------|--------------|
| N/A                            |                |                             |              |

**II. Pending Patent Applications**

| <u>Patent</u><br><u>Title</u> | <u>Atty. Docket</u><br><u>Number</u> | <u>Country</u> | <u>Serial Filing</u><br><u>Number</u> | <u>Date</u> | <u>Status</u> |
|-------------------------------|--------------------------------------|----------------|---------------------------------------|-------------|---------------|
| N/A                           |                                      |                |                                       |             |               |

**III. Patent Licenses**

| <u>Patent No.</u> | <u>Country</u> | <u>Licensor</u> | <u>Licensee</u> | <u>Effective</u><br><u>Date</u> | <u>Expiration</u><br><u>Date</u> |
|-------------------|----------------|-----------------|-----------------|---------------------------------|----------------------------------|
| N/A               |                |                 |                 |                                 |                                  |

SCHEDULE C

TRADEMARK COLLATERAL

**I. Registered Trademarks**

| <u>Trademark Description</u>  | <u>Country</u> | <u>Registration Number</u> |
|-------------------------------|----------------|----------------------------|
| Better Nutrition (Words Only) | United States  | 2,102,728                  |
| Better Nutrition (Design)     | United States  | 2,128,341                  |
| Naturally the Right Choice    | United States  | 2,228,410                  |

**II. Pending Trademark Applications**

| <u>Trademark Description</u>                          | <u>Atty. Docket Number</u> | <u>Country</u> | <u>Serial Number</u> | <u>Filing Date</u> | <u>Status</u> |
|---|----------------------------|----------------|----------------------|--------------------|---------------|
| Better Nutrition Natural Solutions for Healthy Living |                            | United States  | 76/403,881           | 5/6/02             |               |

**III. Trademark Licenses**

| <u>Registration Number</u> | <u>Mark</u> | <u>Country</u> | <u>Licensor</u> | <u>Licensee</u> | <u>Effective Date</u> | <u>Expiration Date</u> |
|----------------------------|-------------|----------------|-----------------|-----------------|-----------------------|------------------------|
| N/A                        |             |                |                 |                 |                       |                        |

DETROIT 46514-2 757217