

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY INTEREST
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CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Arriscraft International Limited Partnership		12/14/2004	LIMITED PARTNERSHIP: CANADA

RECEIVING PARTY DATA	
Name:	The Bank of Nova Scotia
Street Address:	62-40 King Street West
City:	Toronto
State/Country:	CANADA
Postal Code:	M5W 2X6
Entity Type:	Chartered Bank: CANADA

PROPERTY NUMBERS Total: 4		
Property Type	Number	Word Mark
Registration Number:	2487925	THE NATURAL EDGE
Registration Number:	1651494	ADAIR
Registration Number:	1592035	CITADEL
Registration Number:	1559023	RENAISSANCE

CORRESPONDENCE DATA	
Fax Number:	(212)682-0200
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	212-880-6281
Email:	sanger@torys.com
Correspondent Name:	Torys LLP
Address Line 1:	237 Park Avenue
Address Line 4:	New York, NEW YORK 10017

ATTORNEY DOCKET NUMBER:	SECURITY INTEREST
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DOMESTIC REPRESENTATIVE
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OP \$115.00 2487925

Name:  
Address Line 1:  
Address Line 2:  
Address Line 3:  
Address Line 4:

NAME OF SUBMITTER:

Sophie B. Anger

**Total Attachments: 12**

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**TRADEMARK SECURITY AGREEMENT**

THIS AGREEMENT is made as of this 14<sup>th</sup> day of December, 2004, between **ARRISCRAFT INTERNATIONAL LIMITED PARTNERSHIP**, a limited partnership incorporated under the laws of the Province of Ontario and successor in interest to Emilyharper Corporation, a corporation incorporated under the laws of the Province of Ontario (the "Limited Partnership"), having its chief executive office at 875 Speedsville Road, Cambridge, Ontario, N3H 4S8, and **THE BANK OF NOVA SCOTIA**, a Canadian Chartered Bank having an office at 62-40 King Street West, Toronto, Ontario, M5W 2X6, Canada, in its capacity as collateral and administrative agent, together with its successor and assigns, ("Agent") for various creditors ("Creditors") now or hereafter parties to the Credit Agreement (as defined below).

**W I T N E S S E T H:**

WHEREAS, the Limited Partnership desires to obtain loans from Agent and Creditors pursuant to a certain Credit Agreement, dated as of the date hereof by and among the Limited Partnership, Agent and Creditors (hereinafter referred to, as amended, modified, renewed or extended or restated, as the "Credit Agreement"); and

WHEREAS, Agent and Creditors are willing to make loans to the Limited Partnership, pursuant to the Credit Agreement, provided the Limited Partnership executes this Agreement; and

WHEREAS, the Limited Partnership has contemporaneously herewith pursuant to one or more of the Security Documents, granted to Agent, for the benefit of the Agent and Creditors, a lien upon and security interest in the Limited Partnership's now existing or hereafter acquired Trademarks (as hereinafter defined);

NOW, THEREFORE, for One Dollar (\$1.00) and other valuable consideration, and in consideration of the premises, the Limited Partnership hereby agrees with Agent, for the benefit of the Agent and Creditors as follows:

1. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to them in the Credit Agreement.

2. To secure the payment and performance of the Secured Obligations of the Limited Partnership, the Limited Partnership hereby pledges, assigns and grants to Agent, for the benefit of itself and Creditors, a continuing security interest in and lien upon all of the following property of the Limited Partnership, whether now owned or existing or hereafter acquired (the "Collateral"):

(a) all trademarks, trademark registrations, tradenames and trademark applications, whether presently existing or hereafter acquired, including, without limitation, the trademarks and applications listed on Schedule A attached hereto and made a part hereof (as the same may be amended from time to time), and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto

throughout the world (all of the foregoing trademarks, trademark registrations, tradenames and applications, together with the items described in clauses (i)-(iv), are hereinafter collectively referred to as the "Trademarks");

(b) the goodwill of the Limited Partnership's business connected with and symbolized by the Trademarks;

(c) any and all licenses or other rights to use any of the Trademarks all license fees and royalties from such use to the extent permitted by such license or rights; and

(d) all proceeds of the foregoing.

3. The Limited Partnership represents and warrants that:

(a) Each of the Trademarks is subsisting and has not been adjudged invalid or unenforceable;

(b) Upon filing of this Agreement in the United States Patent and Trademark Office, this Agreement will create a legal and valid perfected lien upon and security interest in the Collateral (other than foreign trademarks), enforceable against the Limited Partnership and all third Persons in accordance with its terms;

(c) No claim has been made that the use of any of the Trademarks does or may violate the rights of any third person; and

(d) The Limited Partnership has the unqualified right to enter into this Agreement and perform its terms.

4. The Limited Partnership covenants and agrees that:

(a) Each of the Trademarks is valid and enforceable;

(b) The Limited Partnership is the sole and exclusive owner of the entire right, title and interest in and to each of the Collateral, free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, registered user agreements and covenants by the Limited Partnership not to sue third Persons, except for the security interest granted hereunder to Agent and any Permitted Liens;

(c) The Limited Partnership will maintain the quality of the products associated with the Trademarks, at a level consistent with the quality at the time of this Agreement, and will provide Agent quarterly with a certificate to that effect in the form attached as Exhibit 1 executed by an officer of the Limited Partnership and will not change such quality without Agent's prior written consent hereto to Exhibit 1 executed by an officer of the Limited Partnership thereto, which consent shall not be unreasonably withheld;

(d) The Limited Partnership has used and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Trademarks, including, without limitation, filing an affidavit of use with the United States Patent and

Trademark Office during the sixth year of registration for each Trademark or within the applicable statutory grace period as required by law;

(e) During the term of this Agreement, the Limited Partnership will not sell or otherwise encumber any of the Collateral, except as set forth in this Agreement;

(f) The Limited Partnership will, at its own expense, diligently execute and deliver all further instruments and documents and take all further action that may be necessary or that the Agent may request in order (i) to perfect and protect the security interest created hereby, (ii) to enable the Agent to exercise and enforce its rights and remedies hereunder in respect of the Collateral, or (iii) to effect otherwise the purposes of this Agreement;

(g) The Limited Partnership shall promptly advise the Agent in writing of any adverse change in the composition of the Collateral or any adverse determination against the Collateral, as well as any subsequent ownership rights of the Limited Partnership in or to any material Trademark; and

(h) The Limited Partnership will pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against any Collateral, except to the extent otherwise permitted under the Credit Agreement.

5. The Limited Partnership hereby grants to Agent and its employees and agents the right upon reasonable prior notice to the Limited Partnership to visit the Limited Partnership's plants and facilities which manufacture, inspect or store products sold under any of the Trademarks and to inspect the products and quality control records relating thereto at reasonable times during regular business hours. The Limited Partnership shall do any and all acts reasonably required by Agent to ensure the Limited Partnership's compliance with paragraph 4(c) of this Agreement.

6. The Limited Partnership agrees that, until all of the Secured Obligations of the Limited Partnership have been satisfied in full, it will not enter into any agreement (including, without limitation, any license agreement) which is inconsistent with the Limited Partnership's duties under this Agreement.

7. If, before the Secured Obligations of the Limited Partnership have been satisfied in full, the Limited Partnership shall obtain rights to any new trademarks, or become entitled to the benefit of any trademark application or trademark or any renewal of any Trademark, the provisions of paragraph 2 hereof shall automatically apply thereto, and the Limited Partnership shall give to Agent prompt notice thereof in writing.

8. The Limited Partnership authorizes Agent to modify this Agreement by amending Schedule A to include any future trademarks and trademark applications within the definition of Trademarks under paragraph 2 or paragraph 8 hereof.

9. Upon and at any time after the occurrence of an Event of Default (as defined in the Credit Agreement), Agent shall have, in addition to all other rights and remedies given it by this Agreement, all rights and remedies under Applicable Law and all rights and remedies of a

secured party under the Uniform Commercial Code as adopted and then in force in the State of New York. Without limiting the generality of the foregoing, Agent may immediately, without notice or demand, each of which the Limited Partnership hereby waives, collect directly any payments due the Limited Partnership in respect of the Collateral, or sell at public or private sale or otherwise realize upon all or from time to time, any of the Collateral. The Limited Partnership hereby agrees that ten (10) days written notice to the Limited Partnership of any public or private sale or other disposition of any of the Collateral shall be reasonable notice; provided, however, that no notice shall be required hereunder if not otherwise required by Applicable Law. At any such sale or disposition, Agent may, to the extent permitted by law, purchase the whole or any part of the Collateral sold, free from any right of redemption on the part of the Limited Partnership, which right the Limited Partnership hereby waives and releases. After deducting from the proceeds of such sale or other disposition of the Collateral all costs and expenses reasonably incurred by Agent in enforcing its rights hereunder (including, without limitation, all attorneys' fees), Agent shall apply the remainder of such proceeds to the payment of the Secured Obligations of the Limited Partnership in such order and manner as Agent in its sole discretion may determine. Any remainder of the proceeds after payment in full of such Secured Obligations of the Limited Partnership shall be paid over to the Limited Partnership. If any deficiency shall arise, the Limited Partnership shall remain jointly and severally liable to Agent therefor.

10. The Limited Partnership hereby makes, constitutes and appoints Agent and any officer or agent of Agent as Agent may select as the Limited Partnership's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall occur and be continuing: to endorse the Limited Partnership's name on all applications, documents, papers and instruments necessary for Agent to use the Trademarks, or to grant or issue any exclusive or nonexclusive license under the Trademarks to any other Person, or to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to any other Person. The Limited Partnership hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all of the Secured Obligations of the Limited Partnership shall have been satisfied in full and the commitments under the Credit Agreement shall have been terminated.

11. At such time as all of the Secured Obligations of the Limited Partnership shall have been satisfied finally and in full and the commitments under the Credit Agreement shall have been terminated, Agent shall execute and deliver to the Limited Partnership all releases and other instruments necessary to terminate Agent's security interest in the Collateral.

12. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Agent in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining, or preserving the Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Collateral, shall be borne and paid by the Limited Partnership (it being the intent of the Limited Partnership and Agent that the Limited Partnership shall be responsible for the payment of all sums, fees, costs and expenses, including, without limitation, all renewal fees with respect to the

Trademarks) or, if paid Agent, shall be paid by the Limited Partnership **on demand** by Agent and until so paid shall be added to the principal amount of the Secured Obligations of the Limited Partnership and shall bear interest at the rate prescribed in the Credit Agreement.

13. The Limited Partnership shall use its best efforts to detect any infringers of the Trademarks and shall notify Agent in writing of infringements detected. The Limited Partnership shall have the duty, through counsel acceptable to Agent, to prosecute diligently any trademark application of the Trademarks pending as of the date of this Agreement or thereafter until the Secured Obligations of the Limited Partnership shall have been paid in full, to make federal application on registrable but unregistered Trademarks, to file and prosecute opposition and cancellation proceedings, to file and prosecute lawsuits to enforce the Trademarks and to do any and all acts which are reasonably deemed necessary or desirable by Agent to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with such applications or proceedings shall be borne by the Limited Partnership. The Limited Partnership shall not abandon any right to file a trademark application, or any pending trademark application or trademark without the consent of Agent, which consent shall not be unreasonably withheld.

14. Notwithstanding anything to the contrary contained in paragraph 13 hereof, if an Event of Default exists, Agent shall have the right, but shall in no way be obligated, to bring suit instead in its own name to enforce the Trademarks and any license thereunder, in which event the Limited Partnership shall at the request of Agent do any and all lawful acts (including bringing suit) and execute any and all proper documents reasonably required by Agent to aid such enforcement, and the Limited Partnership shall promptly, **upon demand**, reimburse and indemnify Agent for all costs and expenses incurred in the exercise of Agent's rights under this paragraph 14. Nothing herein shall be deemed to prohibit the Limited Partnership from bringing any such suit in its own name at any time that an Event of Default does not exist, if Agent declines to institute such suit.

15. If the Limited Partnership fails to comply with any of its obligations hereunder, to the extent permitted by Applicable Law, Agent may do so in the Limited Partnership's name or in Agent's name, but at the Limited Partnership's expense, and the Limited Partnership agrees to reimburse Agent and Creditors in full for all expenses, including attorneys' fees, incurred by Agent in prosecuting, defending or maintaining the Trademarks or Agent's interest therein pursuant to this Agreement.

16. The Limited Partnership agrees to defend, indemnify and hold harmless the Agent from and against all claims, losses and liabilities growing out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting solely and directly from the Agent's gross negligence or willful misconduct.

17. No course of dealing between the Limited Partnership and Agent, nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder or under the Credit Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

18. All of Agent's rights and remedies with respect to the Collateral, whether established hereby or by the Credit Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

19. 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.

20. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 8 hereof.

21. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of Agent and upon the successors of the Limited Partnership. The Limited Partnership shall not assign its rights or delegate its duties hereunder without the prior written consent of Agent.

22. Notice of acceptance hereof is hereby waived by the Limited Partnership.

23. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. In proving this Agreement in any judicial proceeding, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought.

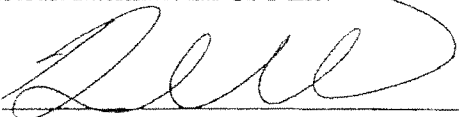
24. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York (including for such purpose Sections 5-1401 and 5-1402 of the General Obligations Law of the State of New York) without regard to conflict of law principles.

25. THE LIMITED PARTNERSHIP, AGENT AND CREDITORS EACH WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE COLLATERAL.



26. WITNESS the execution hereof under seal as of the day and year first above written.

ARRISCRAFT INTERNATIONAL LIMITED  
PARTNERSHIP by its General Partner,  
Arriscraft General Partner Trust, by its trustee,  
Arriscraft International GPT Inc.

By:   
Name: Randy White  
Title: President

THE BANK OF NOVA SCOTIA ("Agent")

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

26. WITNESS the execution hereof under seal as of the day and year first above written.

ARRISCRAFT INTERNATIONAL LIMITED  
PARTNERSHIP by its General Partner,  
Arriscraft General Partner Trust, by its trustee,  
Arriscraft International GPT Inc.

By: \_\_\_\_\_  
Name: Randy White  
Title: President

THE BANK OF NOVA SCOTIA ("Agent")

By: \_\_\_\_\_  
Name: Jim Behringer  
Title: Director

*S. Luna*  
Stella Luna  
Associate Director

PROVINCE OF Ontario )  
 )  
COUNTY OF Canada )

BEFORE ME, the undersigned authority, on this day personally appeared Randy White, President of ARRISCRAFT INTERNATIONAL GPT INC., trustee of ARRISCRAFT GENERAL PARTNER TRUST, General Partner of ARRISCRAFT INTERNATIONAL LIMITED PARTNERSHIP, to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 14th day of December, 2004.



Notary Public  
My Commission Expires:

\_\_\_\_\_  
[NOTARIAL SEAL]

PROVINCE OF Ontario )  
COUNTY OF Canada )

BEFORE ME, the undersigned authority, on this day personally appeared Stella Luna  
*and Jim Beninger* of THE BANK OF NOVA SCOTIA., known to me to be the person whose name is  
subscribed to the foregoing instrument, and acknowledged to me that he executed the same for  
the purposes and consideration therein expressed, in the capacity therein stated, and as the act  
and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 14 day of  
December, 2004.



Notary Public  
My Commission Expires:

[NOTARIAL SEAL]

Exhibit 1

CERTIFICATE

The undersigned officer of **ARRISCRAFT INTERNATIONAL LIMITED PARTNERSHIP** (the "Limited Partnership"), DOES HEREBY CERTIFY to **THE BANK OF NOVA SCOTIA** ("Agent") that the quality of the products associated with the Trademarks listed on Schedule A of the Trademark Security Agreement dated as of December \_\_, 2004, between the Limited Partnership and Agent (as amended from time to time to include future trademarks and trademark applications) (the "Agreement"), has been maintained at a level consistent with the quality of such products at the time of the execution of the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, this \_\_ day of \_\_\_\_\_, 2004.

	<p>ARRISCRAFT INTERNATIONAL LIMITED PARTNERSHIP by its General Partner, as successor in interest to Emilyharper Corporation</p> <p>By: _____ Name: Title:</p>
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SCHEDULE A

<u>Trademark</u>	<u>Registration No.</u>	<u>Registration Date</u>
THE NATURAL EDGE	2487925	September 11, 2001
ADAIR	1651494	July 23, 1991
CITADEL	1592035	April 17, 1990
RENAISSANCE	1559023	October 3, 1989

Unregistered Trade-marks

<u>Trade-mark</u>
ARRISCRAFT
DRY STACK
LAURIER
OLD MILL
RENAISSANCE