

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
EFFECTIVE DATE:	12/29/2004

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Blairex Laboratories, Inc.		12/29/2004	CORPORATION: INDIANA

RECEIVING PARTY DATA

Name:	JP Morgan Chase Bank, N.A.
Street Address:	111 Monument Circle
City:	Indianapolis
State/Country:	INDIANA
Postal Code:	46277
Entity Type:	national banking association: UNITED STATES

PROPERTY NUMBERS Total: 29

Property Type	Number	Word Mark
Registration Number:	0989280	CAFFEDRINE
Registration Number:	1911049	B
Registration Number:	1954627	BLAIREX
Registration Number:	1069263	TEMPO
Registration Number:	1462477	ENDLICE
Registration Number:	2171587	DILUENT OF CHOICE.
Registration Number:	1482936	DURACARE
Registration Number:	1491905	BRONCHO SALINE
Registration Number:	2151193	GINKOGIN
Registration Number:	2292988	PRIME OF LIFE
Registration Number:	0672092	NP-27
Registration Number:	1118053	ENCARE
Registration Number:	1545993	DURACARE II

CH \$740.00 0989280

Registration Number:	1565419	QUICK PEP
Registration Number:	0905030	AQUA-BAN
Registration Number:	1611852	BLAIREX
Registration Number:	1152096	SLEEPINAL
Registration Number:	1632861	CLEAN SIGHTS
Registration Number:	1632891	JUST TEARS
Registration Number:	1652849	BLAIREX
Registration Number:	1704106	BREATHE FREE
Registration Number:	1733926	NASAL MOIST
Registration Number:	2800948	COMFORT APPLICATOR
Registration Number:	2432027	NATURE'S REWARD
Registration Number:	2520939	SIMPLY SALINE
Registration Number:	2584009	WOUND WASH SALINE
Registration Number:	2641302	CLEANSING MIST
Registration Number:	2849045	HEMSPRAY
Serial Number:	76574108	HEMSWAB

CORRESPONDENCE DATA

Fax Number: (317)231-1313
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 3172311313
Email: jgard@btlaw.com
Correspondent Name: Julia Spoor Gard
Address Line 1: 11 South Meridian Street
Address Line 4: Indianapolis, INDIANA 46204

NAME OF SUBMITTER:	Julia Spoor Gard
Signature:	/jsg/
Date:	01/31/2005

Total Attachments: 11
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TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("Agreement") is made as of December 21, 2004, by and between Blairex Laboratories, Inc., an Indiana corporation ("Grantor"), and JPMorgan Chase Bank, N.A., a national banking association (the "Bank").

WITNESSETH:

WHEREAS, Grantor and the Bank are parties to that certain Credit Agreement dated as of even date herewith (as the same may hereafter be modified, amended, restated or supplemented from time to time, the "Credit Agreement");

WHEREAS, Grantor and the Bank are parties to that certain Continuing Security Agreement of even date herewith (as the same may hereafter be modified, amended, restated or supplemented from time to time, the "Security Agreement"), pursuant to which Grantor has granted a security interest in certain of its assets to the Bank;

WHEREAS, Grantor has executed in favor of the Bank that certain Guaranty dated as of even date herewith (as the same may hereafter be modified, amended, restated or supplemented from time to time, the "Guaranty"), pursuant to which the Grantor guaranteed payment of all indebtedness and other obligations of Applied Laboratories, Inc. arising under or in connection with that certain Credit Agreement dated as of even date herewith between Applied Laboratories, Inc. and the Bank (as the same may hereafter be modified, amended, restated or supplemented from time to time, the "Applied Credit Agreement"); and

WHEREAS, pursuant to the terms of the Credit Agreement and the Applied Credit Agreement, the Bank has required Grantor to execute and deliver this Agreement (i) in order to secure the prompt and complete payment, observance and performance of all of the Liabilities, and (ii) as a condition precedent to the making of any loans, advances and any other financial accommodations by the Bank under the Credit Agreement and the Applied Credit Agreement;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, each capitalized term used herein that is defined in the Credit Agreement shall have the meaning specified for such term in the Credit Agreement. Unless otherwise defined herein or in the Credit Agreement, each capitalized term used herein that is defined in the Security Agreement shall have the meaning specified for such term in the Security Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular

provision of this Agreement, and section references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Incorporation of Premises. The premises set forth above are incorporated into this Agreement by this reference thereto and are made a part hereof.

3. Incorporation of the Credit Agreement. The Credit Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.

4. Security Interest in Trademarks. To secure the complete and timely payment, performance and satisfaction of all of the Liabilities, Grantor hereby grants to the Bank a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of Grantor's now owned or existing and hereafter acquired or arising:

(i) trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including, without limitation, the trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications listed on Schedule A attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (c) the right to sue for past, present and fixture infringements and dilutions thereof, (d) the goodwill of Grantor's business symbolized by the foregoing and connected therewith, and (e) all of Grantor's rights corresponding thereto throughout the world (all of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications, together with the items described in clauses (a)-(e) in this paragraph 4(i), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and

(ii) rights under or interest in any trademark license agreements or service mark license agreements with any other party, whether Grantor is a licensee or licensor under any such license agreement, including, without limitation, those trademark license agreements and service mark license agreements listed on Schedule B attached hereto and made a part hereof, together with any goodwill connected with and symbolized by any such trademark license agreements or service mark license agreements, and the right to prepare for sale and sell any and all Inventory now or hereafter owned by Grantor and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Licenses"). Notwithstanding the foregoing provisions of this Section 4, the Licenses shall not include any license agreement in effect as of the date hereof which by its terms prohibits the grant of the security contemplated by this Agreement; provided, however, that upon the termination of such prohibitions for any

reason whatsoever, the provisions of this Section 4 shall be deemed to apply thereto automatically.

5. Restrictions on Future Agreements. Grantor will not, without the Bank's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Grantor further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any respect affect the validity or enforcement of the rights transferred to the Bank under this Agreement or the rights associated with the Trademarks or Licenses.

6. New Trademarks and Licenses. Grantor represents and warrants that (a) the Trademarks listed on Schedule A include all of the trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications now owned or held by Grantor, (b) the Licenses listed on Schedule B include all of the trademark license agreements and service mark license agreements under which Grantor is the licensee or licensor and (c) no liens, claims or security interests in such Trademarks and Licenses have been granted by Grantor to any Person other than the Bank except for the liens, claims, and security interests which were revealed during a search of the records of the United States Patent and Trademark Office conducted by the Bank on December 13, 2004, all of which Grantor hereby agrees and acknowledges shall be released within a reasonable period of time. If, prior to the termination of this Agreement, Grantor shall (i) obtain rights to any new trademarks, registered trademarks, trademark applications, service marks, registered service marks or service mark applications, (ii) become entitled to the benefit of any trademarks, registered trademarks, trademark applications, trademark licenses, trademark license renewals, service marks, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor, or (iii) enter into any new trademark license agreement or service mark license agreement, the provisions of paragraph 4 above shall automatically apply thereto. Grantor shall give to the Bank prompt written notice of events described in clauses (i), (ii) and (iii) of the preceding sentence after the occurrence thereof. Grantor hereby authorizes the Bank to modify this Agreement unilaterally (i) by amending Schedule A to include any future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications and by amending Schedule B to include any future trademark license agreements and service mark license agreements, which are Trademarks or Licenses under paragraph 4 above or under this paragraph 6, and (ii) by filing, in addition to and not in substitution for this Agreement, a duplicate original of this Agreement containing on Schedule A or B thereto, as the case may be, such future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, and trademark license agreements and service mark license agreements.

7. Royalties. Grantor hereby agrees that the use by the Bank of the Trademarks and Licenses as authorized hereunder in connection with the Bank's exercise of its rights and remedies under paragraph 15 or pursuant to the Security Agreement shall be coextensive with Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Bank to Grantor.

8. Right to Inspect; Further Assignments and Security Interests. The Bank may at all reasonable times (and at any time when a default exists) have access to, examine, audit, make copies (at Grantor's expense) and extracts from and inspect Grantor's premises and examine Grantor's books, records and operations relating to the Trademarks and Licenses; provided, that in conducting such inspections and examinations, the Bank shall use reasonable efforts not to disturb unnecessarily the conduct of Grantor's ordinary business operations. From and after the occurrence of a default, Grantor agrees that the Bank, or a conservator appointed by the Bank, shall have the right to establish such reasonable additional product quality controls as the Bank or such conservator, in its sole and absolute judgment, may deem necessary to assure maintenance of the quality of products sold by Grantor under the Trademarks and the Licenses or in connection with which such Trademarks and Licenses are used. Grantor agrees (i) not to sell or assign its respective interests in the Trademarks or the Licenses, or grant any license under the Trademarks, without the prior and express written consent of the Bank, (ii) to maintain the quality of such products as of the date hereof at a level sufficient to preserve any applicable Trademarks, and (iii) not to change the quality of such products in any material respect without the Bank's prior and express written consent.

9. Nature and Continuation of the Bank's Security Interest; Termination of the Bank's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks and Licenses and shall terminate only when the Liabilities have been paid in full in cash and the Credit Agreement and the Security Agreement have been terminated. When this Agreement has terminated, the Bank shall promptly execute and deliver to Grantor, at Grantor's expense, all termination statements and other instruments as may be necessary or proper to terminate the Bank's security interest in the Trademarks and the Licenses, subject to any disposition thereof which may have been made by the Bank pursuant to this Agreement or the Security Agreement.

10. Duties of Grantor. Grantor shall have the duty, to the extent desirable in the normal conduct of Grantor's business, to prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or hereafter until the termination of this Agreement. Grantor further agrees to use its best efforts to maintain in full force and effect the Trademarks and the Licenses that are or shall be necessary or economically desirable in the operation of Grantor's business. Any expenses incurred in connection with the foregoing shall be borne by Grantor. The Bank shall have no duty with respect to the Trademarks and Licenses. Without limiting the generality of the foregoing, the Bank shall be under no obligation to take any steps necessary to preserve rights in the Trademarks or Licenses against any other parties, but the Bank may do so at its option from and after the occurrence of a default, and all expenses incurred in connection therewith shall be for the sole account of Grantor and shall be added to the Liabilities secured hereby.

11. The Bank's Right to Sue. From and after the occurrence of a default, the Bank shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks and the Licenses and, if the Bank shall commence any such suit, Grantor shall, at the request of the Bank, do any and all lawful acts and execute any and all proper documents required by the Bank in aid of such enforcement. Grantor shall, upon demand, promptly reimburse the Bank for all costs and expenses incurred by the Bank in the exercise of its rights

under this paragraph 11 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for the Bank).

12. Waivers. The Bank's failure, at any time or times hereafter, to require strict performance by Grantor of any provision of this Agreement shall not waive, affect or diminish any right of the Bank thereafter to demand strict compliance and performance therewith nor shall any course of dealing between Grantor and the Bank have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of Grantor contained in this Agreement shall be deemed to have been suspended or waived by the Bank unless such suspension or waiver is in writing signed by an officer of the Bank and directed to Grantor specifying such suspension or waiver.

13. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but 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 hereof, 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.

14. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in paragraph 6 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney. Grantor hereby irrevocably designates, constitutes and appoints the Bank (and all Persons designated by the Bank in its sole and absolute discretion) as Grantor's true and lawful attorney-in-fact, and authorizes the Bank and any of the Bank's designees, in Grantor's or the Bank's name, to take any action and execute any instrument which the Bank may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, from and after the occurrence and during the continuance of a default and the giving by the Bank of notice to Grantor of the Bank's intention to enforce its rights and claims against Grantor, to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for the Bank in the use of the Trademarks or the Licenses, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks or the Licenses to anyone on commercially reasonable terms, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks or, to the extent permitted, under the Licenses, to anyone on commercially reasonable terms, and (iv) take any other actions with respect to the Trademarks or the Licenses as the Bank deems in its best interest. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the Liabilities shall have been paid in full in cash and the Credit Agreement shall have been terminated. Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Bank under the Security Agreement, but rather is intended to facilitate the exercise of such rights and remedies. The Bank shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any

jurisdiction in which the Trademarks or the Licenses may be located or deemed located. Upon the occurrence of a default and the election by the Bank to exercise any of its remedies under the Uniform Commercial Code with respect to the Trademarks and Licenses, Grantor agrees to assign, convey and otherwise transfer title in and to the Trademarks and the Licenses to the Bank or any transferee of the Bank and to execute and deliver to the Bank or any such transferee all such agreements, documents and instruments as may be necessary, in the Bank's sole discretion, to effect such assignment, conveyance and transfer. All of the Bank's rights and remedies with respect to the Trademarks and the Licenses, whether established hereby, by the Security Agreement, by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence of a default, the Bank may exercise any of the rights and remedies provided in this Agreement, the Security Agreement and any of the other loan documents. Grantor agrees that any notification of intended disposition of any of the Trademarks and Licenses required by law shall be deemed reasonably and properly given if given at least ten (10) days before such disposition; provided, however, that the Bank may give any shorter notice that is commercially reasonable under the circumstances.

16. Successors and Assigns. This Agreement shall be binding upon Grantor and its successors and assigns, and shall inure to the benefit of each of the Bank and its nominees, successors and assigns. Grantor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Grantor; provided, however, that Grantor shall not voluntarily assign or transfer its rights or obligations hereunder without the Bank's prior written consent.

17. Governing Law. This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the internal laws (as opposed to conflict of laws provisions) and decisions of the State of Indiana.

18. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Credit Agreement.

19. Section Titles. The section titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

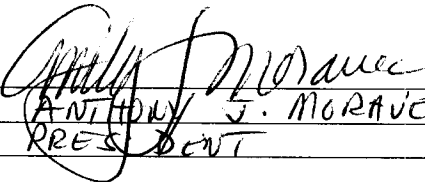
20. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

21. Merger. This Agreement represents the final agreement of the Grantor with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between the Grantor and the Bank.

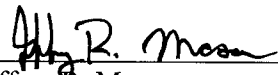
[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

Blairex Laboratories, Inc.
as the Grantor

By: 
Name: ANTHONY J. MORAVEC
Title: PRESIDENT

JPMorgan Chase Bank, N.A.
as the Bank

By: 
Name: Jeffrey R. Mason
Title: Assistant Vice President

ACKNOWLEDGMENT

STATE OF INDIANA)
) SS:
COUNTY OF Bartholomew)

Before me, a Notary Public in and for the State of Indiana, personally appeared Anthony J. Moravec the President of Blairex Laboratories, Inc., who, first being duly sworn, acknowledged the execution of the foregoing instrument for and on behalf of said corporation as its duly authorized officer.

WITNESS my hand and Notarial Seal this 29th day of December, 2004.

Amanda Skelton
Notary Public
Amanda Skelton
Printed

I am a resident of
Bartholomew County, Indiana
My commission expires:
6/19/2009

ACKNOWLEDGMENT

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for the State of Indiana, personally appeared Jeffrey R. Mason, an Assistant Vice President of JPMorgan Chase Bank, N.A., who, first being duly sworn, acknowledged the execution of the foregoing instrument for and on behalf of said national banking association as its duly authorized officer.

WITNESS my hand and Notarial Seal this 29th day of December, 2004.

Amanda Skelton
Notary Public
Amanda Skelton
Printed

I am a resident of
Bartholomew County, Indiana
My commission expires:
6/19/2009

Schedule A

to

Trademark Security Agreement

Dated as of December 24, 2004

Registered Trademarks and Service Marks

CAFFEDRINE® #296,053 (Australia)

CAFFEDRINE® #0,989,280 (United States)

B (design)® #1,911,049 (United States)

ENDLICE® #374,722 (Canada)

BLAIREX (design)® #1,954,627 (United States)

TEMPO® #1,069,263 (United States)

ENDLICE® #1,462,477 (United States)

DILUENT OF CHOICE.® #2,171,587 (United States)

DURACARE® #1,482,936 (United States)

BRONCHO SALINE® #1,491,905 (United States)

GINKOGIN® #2,151,193 (United States)

PRIME OF LIFE® #2,292,988 (United States)

NP-27® #0,672,092 (United States)

ENCARE® #1,118,053 (United States)

DURACARE II® #1,545,993 (United States)

QUICK PEP® #1,565,419 (United States)

AQUA-BAN® #0,905,030 (United States)

BLAIREX® #1,611,852 (United States)

TEMPO® #244,251 (Canada)

SLEEPINAL® #1,152,096 (United States)
CLEAN SIGHTS® #1,632,861 (United States)
JUST TEARS® #1,632,891 (United States)
BLAIREX® #1,652,849 (United States)
BREATHE FREE® #1,704,106 (United States)
NASAL MOIST® #1,733,926 (United States)
NP-27® #152,939 (Canada)
COMFORT APPLICATOR® #2,800,948 (United States)
SLEEPINAL® #299,468 (Canada)
CAFFEDRINE® #345,167 (Canada)
AQUA-BAN® #296,052 (Australia)
NATURE'S REWARD® #2,432,027 (United States)
SIMPLY SALINE® #2,520,939 (United States)
WOUND WASH SALINE® #2,584,009 (United States)
CLEANSING MIST® #2,641,302 (United States)
HEMSPRAY® #2,849,045 (United States)

Trademark and Service Mark Applications

HEMSWAB (stylized), Ser. No. 76574108 (United States)
Wound Wash; pending (Canada)
Simply Saline, pending (Canada)

Schedule B

to

Trademark Security Agreement

Dated as of December 29, 2004

License Agreements

None.