

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Release of security interest titled "Modification Agreement" recording pages 1 - 4 with operative release language found on page 4

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
SunTrust Banks, Inc.		12/16/2002	CORPORATION: GEORGIA

RECEIVING PARTY DATA

Name:	Effcon Laboratories, Inc.
Street Address:	1800 Sandy Plains Parkway
Internal Address:	Suite 102
City:	Marietta
State/Country:	GEORGIA
Postal Code:	30066
Entity Type:	CORPORATION: GEORGIA

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Registration Number:	1685013	PIN-X

CORRESPONDENCE DATA

Fax Number: (256)533-9322
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 256-535-1100
 Email: wbabcock@lfsp.com
 Correspondent Name: Frank M. Caprio
 Address Line 1: 200 West Side Square
 Address Line 2: Suite 5000
 Address Line 4: Huntsville, ALABAMA 35801

NAME OF SUBMITTER:	Frank M. Caprio
Signature:	/Frank M. Caprio/
Date:	03/08/2005

CH \$40.00 1685013

Total Attachments: 4

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*Final / Execution Copy***MODIFICATION AGREEMENT**

This Modification Agreement is entered into this 16th day of December, 2002 (the "Execution Date") by and among SunTrust Banks, Inc. (hereinafter the "Bank"), Effcon Laboratories, Inc. (hereinafter the "Company" or "Borrower"), Eddie R. Burklow, Melvin A. Burklow and Robert Burklow (each a "Personal Guarantor" and collectively, the "Personal Guarantors").

RECITALS

Borrower is indebted to Bank for loans made pursuant to that certain Subordinated Note and Performance Payment Right Certificate Purchase Agreement dated as of November 24, 1997 (herein for convenience of reference, the "Purchase Agreement").

To evidence and secure Borrower's obligations and indebtedness under the Purchase Agreement, Borrower executed and delivered to the Bank certain documents, instruments and security agreements and Guarantors executed certain Guaranty Agreements and Non-Competitive Agreements as more fully described and listed on Exhibit "A" hereto (collectively, with the Purchase Agreement, the "Transaction Documents").

Certain events of default have occurred and now exist under the Transaction Documents, including the original Subordinated Note (the "Note"), and Borrower is unable to pay the full amount of the outstanding indebtedness to the Bank at this time.

Borrower and Bank desire to terminate certain obligations, and modify certain instruments and documents related to the current indebtedness of Borrower to Bank and to provide for immediate payment of One Million Three Hundred Thousand Dollars (\$1,300,000) to the Bank and for deferred payment of an additional Four Hundred Thousand Dollars (\$400,000) by Borrower to Bank pursuant to an amended and restated Note and Security Agreement, all as more particularly provided in this Agreement.

Now, therefore, in consideration of the foregoing Recitals and for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Amount and Payment of Indebtedness.** Borrower agrees to pay and Bank agrees to accept One Million Seven Hundred Thousand Dollars (\$1,700,000) in full payment of the indebtedness and all other obligations of Borrowers or Guarantors to the Bank outstanding or owing on the Execution Date of this Agreement; the same to be paid as follows:

- (a) Contemporaneous with and conditioned upon execution of this Agreement, Borrower shall pay Bank the sum of One Million Three Hundred Thousand Dollars (\$1,300,000); and

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- (b) Borrower shall execute and deliver to Bank an amended and restated Note (the "Restated Note") in the amount of Four Hundred Thousand Dollars (\$400,000), bearing interest at the rate of twelve percent (12%) per annum, with principal and all accrued interest due and payable in full, thirty-six (36) months following the execution date of the Restated Note (subject to prepayment by Borrower and earlier payments upon the occurrence of certain events as hereinafter provided in this Agreement), in the form of the Restated Note attached hereto as Exhibit "B". Payment of the Restated Note shall be secured by a first security interest in the following pharmaceutical products and related Accounts and Intellectual Property of Borrower (the "Collateral"):
- (i) Sustained Release Methozolamide tablet or capsule product, commonly referred to as the "Zopic Product";
 - (ii) Lice Treatment Shampoo and/or Rinse, commonly referred to as the "Lice Treatment Product"; and
 - (iii) Borrower's rights in or to the Trademark, "Zopic".
- (c) The existing Security Agreement issued pursuant to the Purchase Agreement in favor of the Bank shall be amended and restated to confirm the grant of the security interest in the above described Collateral, release any other security interests and to conform the provisions of such restated Security Agreement (the "Restated Security Agreement") to the undertakings contained in this Agreement. Copies of the Restated Security Agreement and related Amended and Restated Collateral Assignments are attached as Exhibit "C" hereto.
- (d) Borrower and Bank agree that any cash proceeds received by Borrower from the sale of Borrower's interest in the Collateral will be used to prepay the Restated Note, with such proceeds to be applied first to pay any accrued and unpaid interest on the Restated Note, and the balance applied to pay the principal balance outstanding on the Restated Note.
- (e) Bank acknowledges and agrees that Borrower will be required to seek and obtain additional funds from investors and/or licensees of the Borrower's Zopic or Lice Treatment Products to continue and/or complete development of such products, and to the extent invested funds, milestone payments or advances from investors or licensees are earmarked and used to fund and pay development costs related to such Products, such funds will not be required to be used to prepay the Restated Note.
2. Termination of Certain Existing Agreements. Except for the Restated Note, Restated Security Agreement, Restated Collateral Assignments and Amended UCC Financing Statement, attached as Exhibits "B" and "C" hereto, Bank, Borrower and Guarantors hereby agree that all Transaction Documents, including all amendments, modifications, replacements and restatements thereof or related thereto, are

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terminated effective with the execution and delivery of this Agreement and the same shall be of no further force or effect. All liabilities, obligations or undertakings of the parties, or any of them, heretofore or hereafter arising under the terminated Transaction Documents, shall cease effective upon execution of this Agreement.

3. Release of Personal Guarantors. Bank hereby releases the Personal Guarantors from liability pursuant to their respective Guaranty Agreement and Non-Competition Agreement and hereby terminates all such agreements and any other agreements or undertakings between the Bank and each Personal Guarantor arising out of or connected with the transactions made the subject of the Purchase Agreement and any Transaction Documents.

4. Covenants and Agreements.

(a) Borrower and each Personal Guarantor hereby acknowledges and agrees that until payment in full of the Restated Note, Borrower will not declare or pay any dividend or make any other distribution to a Personal Guarantor, or purchase or otherwise acquire directly or indirectly any shares of its stock or other equity from a Personal Guarantor, or make any payments with respect to debt owed to a Personal Guarantor, except: (i) dividends paid, or distributions made, in the stock of the Borrower; (ii) compensation and benefits to a Personal Guarantor for services rendered as provided in Paragraph 4(b); and (iii) as long as the Borrower shall remain an "S" Corporation under Subchapter S of the Internal Revenue Code, payments to a Personal Guarantor of Permissible Tax Distributions (as hereinafter defined). "Permissible Tax Distributions", for purposes of this Agreement, shall mean, with respect to the Borrower, cash dividends or distributions to its shareholders with respect to each taxable year during which the Borrower is a Subchapter S corporation for federal and state income tax purposes in an amount not to exceed the aggregate of the maximum federal and state income tax liability of the shareholders of the Borrower (assuming that all of the shareholders are taxed at the maximum permissible federal and Georgia state rates for individuals) attributable to the taxable income of the Borrower for such taxable year, computed in accordance with the Code.

(b) Bank agrees that Borrower may pay reasonable compensation (salary and fringe benefits) to one or more of the Personal Guarantors for services rendered, not to exceed a total of \$150,000.00 in any calendar year period without the prior written consent of the Bank.

(c) Borrower agrees that the execution, delivery and performance by Borrower of this Agreement and the consummation of the transactions contemplated hereby have been approved by all required corporate action, do not violate any provision of any order, writ, judgment, injunction, decree, determination or award presently in effect in which Borrower is named and do not result in a

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breach of or constitute a default under any agreement or instrument to which Borrower is a party or by which Borrower, or any of the Collateral are bound.

(d) Each party hereto is entering into this Agreement freely and voluntarily with the advice of legal counsel of his or its own choosing.

5. Sale of Pin-X. Bank acknowledges that Borrower has entered into an agreement to sell its Pin-X Product to Propst Pharmaceuticals, LLC for the sum of One Million Three Hundred Thousand Dollars (\$1,300,000) to be paid to Borrower, and in consideration of the payment to be made from Borrower to Bank pursuant to Paragraph 1.(a) hereof, hereby consents to such sale and releases the security interest of the Bank in and to the said Pin-X Product and related Intellectual Property and General Intangibles.
6. Reaffirmation of Certain Restated Transaction Documents. Borrower hereby ratifies and reaffirms the validity, legality and enforceability of the Restated Note, Restated Security Agreement, Restated Collateral Assignments and Amended UCC Financing Statement and agrees that such restated and amended documents are and shall remain in full force and effect until all indebtedness (as defined in the Restated Note) has been paid in full. The parties acknowledge and agree that except for the above identified restated Transaction Documents, all other Transaction Documents are terminated effective upon execution of this Agreement and shall hereafter be of no further force or effect.
7. Venue and Jurisdiction. The parties agree that any legal action by either party against the other relating in any way to this Agreement, the Restated Note, Restated Security Agreement, Restated Collateral Assignments, the indebtedness, the Collateral or any relationship between or conduct by the parties, whether at law or in equity, whether sounding in contract, tort or otherwise, shall be commenced only in a court of competent subject matter jurisdiction located in Fulton County, State of Georgia. The parties further agree to submit to the in personam jurisdiction of such a court of competent subject matter jurisdiction located in Fulton County, State of Georgia, and to agree to the venue of said court for purposes of adjudicating any such legal action.
8. WAIVER OF JURY TRIAL. THE PARTIES HERETO EACH HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE SURVIVING TRANSACTION DOCUMENTS, THE COLLATERAL OR THE INDEBTEDNESS.
9. Mutual Release of Claims. In consideration of the mutual undertakings contained herein, including the payment by Borrower of \$1,300,000.00 to Bank and execution of the Restated Note and other surviving Transaction Documents pursuant to Section 1 of this Agreement, each of the Bank, on the one hand, and Borrower and Personal Guarantors (jointly and severally, the "Borrower Group") on the other hand, hereby releases, acquits and forever discharges the other and its and their respective officers,