

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
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<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Summit Flexible Products, Ltd.		06/19/2006	CORPORATION: OREGON
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Guaranty Business Credit Corporation		
<b>Street Address:</b>	333 S. Grand Ave., Suite 1650		
<b>Internal Address:</b>	Attn: Portfolio Manager		
<b>City:</b>	Los Angeles		
<b>State/Country:</b>	CALIFORNIA		
<b>Postal Code:</b>	90071		
<b>Entity Type:</b>	CORPORATION: DELAWARE		
<b>PROPERTY NUMBERS Total: 1</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
Registration Number:	2785455	CARDIOFLEX	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(213)443-2926		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	(213) 617-5493		
<b>Email:</b>	jcravitz@sheppardmullin.com		
<b>Correspondent Name:</b>	Sheppard, Mullin, Richter & Hampton, LLP		
<b>Address Line 1:</b>	333 S. Hope St., 48th Floor		
<b>Address Line 2:</b>	Attn: J. Cravitz		
<b>Address Line 4:</b>	Los Angeles, CALIFORNIA 90071		
<b>ATTORNEY DOCKET NUMBER:</b>	084L-124909		
<b>NAME OF SUBMITTER:</b>	Julie Cravitz		
<b>Signature:</b>	/julie cravitz/		

CH \$40.00 2785455

Date:

07/14/2006

**Total Attachments: 15**

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## TRADEMARK AND PATENT SECURITY AGREEMENT

THIS TRADEMARK AND PATENT SECURITY AGREEMENT (this "Agreement"), dated as of June 19, 2006, is entered into by and between MIRACLECORP PRODUCTS, a Ohio corporation , SUMMIT FLEXIBLE PRODUCTS, LTD., an Oregon corporation, and HAMILTON ANIMAL PRODUCTS LLC, an Ohio limited liability company, (collectively, "Debtor") jointly and severally, on the one hand, having an office at 2425 West Dorothy Lane, Dayton, Ohio 45459, and GUARANTY BUSINESS CREDIT CORPORATION, a Delaware corporation ("Secured Party"), on the other hand, having an office at 333 South Grand Ave., Suite 1650, Los Angeles, California 90071, with reference to the following facts:

### RECITALS

A. Debtor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the trademarks, trade names, terms, designs and applications therefor described in Schedule A annexed hereto, and the patents and applications therefor described in Schedule B annexed hereto and made a part hereof.

B. Secured Party has agreed to enter into financing arrangements with Debtor, pursuant to a Loan and Security Agreement dated as of June 19, 2006 (the "Loan Agreement") (the Loan Agreement, together with this Agreement, and all other related documents, agreements, instruments or notes, as the same may now exist or may hereafter be amended or supplemented, are referred to herein collectively as the "Loan Documents"), and Debtor and Secured Party desire to enter into this Agreement, by which Debtor shall secure the payment and performance of its obligations to Secured Party under the Loan Agreement by granting Secured Party a security interest in the Collateral described below.

NOW, THEREFORE, the parties hereby agree as follows:

#### 1. SECURITY INTEREST

Debtor hereby grants to Secured Party a security interest in:

(a) all of Debtor's now existing or hereafter acquired right, title, and interest in and to: all of Debtor's trademarks, trade names, trade styles and service marks; all prints and labels on which such trademarks, trade names, trade styles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; all applications, registrations and recordings relating to the foregoing in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof, and all reissues, extensions and renewals thereof including those trademarks, terms, design and applications described in Schedule A hereto (collectively, the "Trademarks");

(b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks;

(c) all of Debtor's now existing or hereafter acquired right, title and interest in and to: all of Debtor's interests in any United States patents; all applications, registrations and recordings relating to such patents in the United States Patent and Trademark Office or in any similar office or agency of the United States and all reissues, extensions and renewals thereof, including, without limitation, those patents, applications, registrations and recordings described in Schedule B hereto (the "Patents"); and

(d) any and all proceeds of any of the foregoing, including, without limitation, any claims by Debtor against third parties for infringement of the Trademarks, Patents or of any licenses with respect thereto (all of the foregoing are collectively referred to herein as the "Collateral").

## 2. OBLIGATIONS SECURED

The security interests granted to Secured Party in this Agreement shall secure the prompt and indefeasible payment and performance of the "Obligations" as defined in the Loan Agreement (all the foregoing hereinafter referred to as the "Obligations").

## 3. WARRANTIES AND COVENANTS

Debtor hereby covenants, represents and warrants that (all of such covenants, representations and warranties being continuing in nature so long as any of the Obligations are outstanding):

(a) All of the existing potential and registered Collateral is valid and subsisting in full force and effect to Debtor's knowledge, and Debtor owns sole, full, and clear title thereto, and has the right and power to grant the security interests granted hereunder. Debtor will, at Debtor's expense, perform all acts and execute all documents reasonably necessary to maintain the existence of the Collateral as valid, subsisting and registered trademarks and patents, including, without limitation, the filing of any renewal affidavits and applications, except where such Collateral is not material to the Debtor's business. The Collateral is not subject to any lien, security interest, claim or encumbrance ("Lien"), except the security interest granted hereunder, the licenses, if any, which are specifically described in Schedule C hereto and Permitted Encumbrances (as defined in the Loan Agreement).

(b) Debtor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or Lien upon, encumber, or grant an exclusive license relating thereto, except to Secured Party, or otherwise dispose of any of the Collateral without the prior written consent of Secured Party.

(c) Debtor will, at Debtor's expense, perform all acts and execute all documents reasonably requested at any time by Secured Party to evidence, perfect, maintain, record, or enforce the security interest in the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Secured Party to have this Agreement filed with the Commissioner of Patents and Trademarks or other appropriate federal, state or government office.

(d) Debtor will, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party two (2) originals of a Power of Attorney in the form of Exhibit 1, 2 and 3 annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise of the rights and remedies granted to Secured Party hereunder. Secured Party agrees it will only exercise the Power of Attorney upon the occurrence and during the continuation of an Event of Default under (and as defined in) the Loan Agreement.

(e) Secured Party may, in its sole discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by Secured Party to maintain and preserve the Collateral, defend, protect, record, amend or enforce the Obligations, the Collateral, or the security interest granted hereunder including but not limited to, all filing or recording fees, court costs, collection charges and reasonable attorneys' fees. Debtor will be liable to Secured Party for any such payment, which payment shall be deemed a borrowing by Debtor from Secured Party, and shall be payable on demand together with interest at the rate set forth in the Loan Documents and shall be part of the Obligations secured hereby.

(f) As of the date hereof, Debtor does not have any Trademarks or Patents registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States other than those described in Schedules A and B annexed hereto.

(g) Debtor shall notify Secured Party in writing of the filing of any application for the registration of a Trademark or Patent with the United States Patent and Trademark Office or any similar office or agency in the United States or any state therein every calendar quarter. Upon request of Secured Party, Debtor shall execute and deliver to Secured Party any and all agreements, instruments, documents, and such other papers as may be requested by Secured Party to evidence the security interests of Secured Party in such Trademark or Patent.

(h) Debtor has not abandoned any of the Trademarks or Patents material to the conduct of the business and Debtor will not do any act, nor omit to do any act, whereby the Trademarks or Patents material to the conduct of the business may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable. Debtor shall notify Secured Party immediately if Debtor knows or has reason to know of any reason why any application, registration, or recording material to the conduct of the business may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable.

#### 4. RIGHTS AND REMEDIES

Upon the occurrence of an Event of Default and during the continuance thereof, in addition to all other rights and remedies of Secured Party, whether provided under applicable law, the Loan Documents or otherwise, and after expiration of any grace period, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor, except as such notice or consent is expressly provided for hereunder.

(a) Secured Party may make use of any Trademarks or Patents for the sale of goods or rendering of services in connection with enforcing any other security interest granted to Secured Party by Debtor or any subsidiary of Debtor.

(b) Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner as Secured Party shall in its sole discretion deem appropriate. Such license or licenses may be general, special, or otherwise and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Secured Party may assign, sell, or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations, except that Secured Party agrees to provide Debtor with ten (10) days prior written notice of any proposed disposition of the Collateral.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to subparagraph 4(c) hereof, Secured Party may at any time execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in subparagraph 3(e) hereof, one or more instruments of assignment of the Trademarks or Patents (or any application, registration, or recording relating thereto), in form suitable for filing, recording or registration. Debtor agrees to pay Secured Party on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and reasonable attorneys' fees.

(e) Secured Party may apply the proceeds actually received from any such license, assignment, sale or other disposition of Collateral first to the reasonable costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel, and other expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations as Secured Party may in its sole discretion determine. Debtor shall remain liable to Secured Party for any expenses or obligations remaining unpaid after the application of such proceeds, and Debtor will pay Secured Party on demand any such unpaid amount, together with interest at the default rate set forth in the Loan Agreement.

(f) In the event that any such license, assignment, sale or disposition of the Collateral (or any part thereof) is made after the occurrence of an Event of Default, Debtor shall supply to Secured Party or Secured Party's designee Debtor's knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks or to which the Patents relate and Debtor's customer lists and other records relating to the Trademarks and Patents and the distribution thereof.

Nothing contained herein shall be construed as requiring Secured Party to take any such action at any time. All of Secured Party's rights and remedies, whether provided under law, the Agreements, this Agreement, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.



(f) The security interest granted to Secured Party shall terminate upon termination of the Loan Agreement and indefeasible payment in full to the Secured Party of all Obligations thereunder.

(g) THE VALIDITY, INTERPRETATION AND EFFECT OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE UNITED STATES OF AMERICA AND THE LAWS OF THE STATE OF TEXAS. DEBTOR HEREBY IRREVOCABLY CONSENTS AND SUBMITS IN ADVANCE TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE OR FEDERAL COURTS LOCATED WITHIN THE COUNTY OF DALLAS IN THE STATE OF TEXAS, TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES PERTAINING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE OTHER AGREEMENTS OR TO ANY MATTER ARISING THEREFROM IN ANY SUCH ACTION OR PROCEEDING. DEBTOR AGREES THAT SERVICE OF SUMMONS AND COMPLAINT OR OTHER PROCESS OR PAPERS MAY BE MADE OUTSIDE SUCH COUNTY IN SUCH MANNER AS MAY BE PERMISSIBLE UNDER THE RULES OF SUCH COURTS.

(h) THE PARTIES TO THIS AGREEMENT ACKNOWLEDGE THAT JURY TRIALS OFTEN ENTAIL ADDITIONAL EXPENSES AND DELAYS NOT OCCASIONED BY NONJURY TRIALS. THE PARTIES TO THIS AGREEMENT AGREE AND STIPULATE THAT A FAIR TRIAL MAY BE HAD BEFORE A STATE OR FEDERAL JUDGE IN A COURT BY MEANS OF A BENCH TRIAL WITHOUT A JURY. IN VIEW OF THE FOREGOING, AND AS A SPECIFICALLY NEGOTIATED PROVISION OF THIS AGREEMENT, EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.



IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

DEBTOR:

MIRACLECORP PRODUCTS  
an Ohio corporation

By: William M. Stelck  
Name: WILLIAM M. STECK, JR  
Title: PRESIDENT

SUMMIT FLEXIBLE PRODUCTS, LTD.,  
an Oregon corporation

By: William M. Stelck  
Name: WILLIAM M. STECK, JR  
Title: PRESIDENT

HAMILTON ANIMAL PRODUCTS LLC,  
an Ohio limited liability company

By: William M. Stelck  
Name: WILLIAM M. STECK, JR  
Title: PRESIDENT

SECURED PARTY:

GUARANTY BUSINESS CREDIT  
CORPORATION

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

IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

DEBTOR:

MIRACLECORP PRODUCTS  
an Ohio corporation

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

SUMMIT FLEXIBLE PRODUCTS, LTD.,  
an Oregon corporation

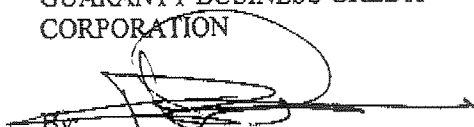
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

HAMILTON ANIMAL PRODUCTS LLC,  
an Ohio limited liability company

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

SECURED PARTY:

GUARANTY BUSINESS CREDIT  
CORPORATION

By:   
Name: DOUGLAS MCEL  
Title: VICE PRESIDENT







SCHEDULE A  
to  
TRADEMARK AND PATENT SECURITY AGREEMENT

Trademarks / Service Marks

<u>Trademark/ Service Mark</u>	<u>Owner</u>	<u>Registration No./Filing No.</u>	<u>Registration Date/Filing Date</u>
QUICKFINDER	MiracleCorp Products	78-796,756	1/23/06
MANEMASTER	MiracleCorp Products	78-711,038	9/12/05
EASY WORMER	MiracleCorp Products	2,853,979	6/15/04
STEWART	MiracleCorp Products	2,847,572	6/1/04
TRIM TREATS	MiracleCorp Products	2,911,811	12/14/04
NICKERSNAX	MiracleCorp Products	2,769,372	9/30/03
THE BOND BUILDER	MiracleCorp Products	2,470,529	7/17/01
Design only	MiracleCorp Products	2,379,653	8/22/00
EQUI-BLOCK	MiracleCorp Products	2,278,019	9/14/99
WHITE HORSE TRADING CO and design	MiracleCorp Products	2,310,787	1/25/00
MANEMASTER and design	MiracleCorp Products	2,274,046	8/31/99
NO FLY ZONE	MiracleCorp Products	2,386,773	9/19/00
EQUIDAE SPORT HORSE JOURNAL and design	MiracleCorp Products	2,283,827	10/5/99
Design only	MiracleCorp Products	2,169,155	6/30/98
GROOMA	MiracleCorp Products	2,043,859	3/11/97
MIRACLE MIST	MiracleCorp Products	1,997,190	8/27/96
MIRACLE COAT	MiracleCorp Products	1,997,189	8/27/96

<u>Trademark/ Service Mark</u>	<u>Owner</u>	<u>Registration No./Filing No.</u>	<u>Registration Date/Filing Date</u>
OBEY	MiracleCorp Products	2,173,234	7/14/98
ANIMAL LEGENDS and design	MiracleCorp Products	2,055,704	4/22/97
THE TREAT PROFESSIONALS	MiracleCorp Products	1,707,741	8/18/92
LIFE PHASE	MiracleCorp Products	1,655,915	9/3/91
FIBER FORMULA	MiracleCorp Products	1,582,077	2/6/90
CARDIOFLEX	Summit Flexible Products, Ltd.	2,785,455	11/25/03
HAMILTON PRODUCTS FOAL OR AVERAGE MINIATURE HORSE PONY OR AVERAGE MINIATURE DONKEY WEANLING OR LARGE PONY YEARLING OR STANDARD DONKEY SMALLHORSE OR COB 500-800 LBS AVERAGEHORSE 800- 1100 LBS LARGEHORSE 1100-1600 LBS DRAFT and design	Hamilton Animal Products LLC	2,102,865	10/7/97
H.P. MUGZ	Hamilton Animal Products LLC	1,725,689	10/20/92
ME WOW	Hamilton Animal Products LLC	78-338,477	12/9/03

SCHEDULE B  
to  
TRADEMARK AND PATENT SECURITY AGREEMENT

Patents and Applications

<u>Title</u>	<u>Owner</u>	<u>Patent No./ Application No.</u>	<u>Filing Issue Date</u>
Method for shampooing a pet using a foam-dispensed pet shampoo composition	MiracleCorp Products	5826546	10/27/98
Brush for animals	MiracleCorp Products	D315038	2/26/91
X-style animal brush	MiracleCorp Products	D321434	11/12/91
Brush for grooming animals	MiracleCorp Products	D333922	3/16/93
Handle for a brush	MiracleCorp Products	D459589	7/2/02
Halter Display	Hamilton Animal Products LLC	D381693	7/29/97
Quick Release Pet Leash Latch	Hamilton Animal Products LLC	D390096	2/3/98
Animal Halter	Hamilton Animal Products LLC	D467046	12/10/02



SCHEDULE C  
to  
TRADEMARK AND PATENT SECURITY AGREEMENT

Permitted Licenses

NONE