

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM350239

<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>
Red Slate Brands, Inc.		07/20/2015	COMPANY: VIRGIN ISLANDS, BRITISH
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	MUFG Union Bank, N.A.		
<b>Street Address:</b>	350 California Street, 7th Floor		
<b>City:</b>	San Francisco		
<b>State/Country:</b>	CALIFORNIA		
<b>Postal Code:</b>	94104		
<b>Entity Type:</b>	National Association: CALIFORNIA		
<b>PROPERTY NUMBERS Total: 2</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	3395353	BALSAM HILL	
<b>Registration Number:</b>	3466368	BALSAM HILL	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	4154343947		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
<b>Phone:</b>	415 774 2953		
<b>Email:</b>	mkahn@sheppardmullin.com		
<b>Correspondent Name:</b>	Michelle D. Kahn		
<b>Address Line 1:</b>	Four Embarcadero Center		
<b>Address Line 2:</b>	17th Floor		
<b>Address Line 4:</b>	San Francisco, CALIFORNIA 94111		
<b>ATTORNEY DOCKET NUMBER:</b>	0A22-209859		
<b>NAME OF SUBMITTER:</b>	Michelle D. Kahn		
<b>SIGNATURE:</b>	/MDK/		
<b>DATE SIGNED:</b>	08/04/2015		
<b>Total Attachments: 15</b>			
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## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (the "**Agreement**") is made as of July 20, 2015, by and between RED SLATE BRANDS, INC., a company incorporated in the British Virgin Islands with registered number 1050536 ("**Grantor**"), and MUFU UNION BANK, N.A., formerly known as Union Bank, N.A. ("**Secured Party**").

### RECITALS

A. Pursuant to that certain Business Loan Agreement dated as of April 16, 2015 (as the same may be amended, extended, renewed, supplemented or otherwise modified from time to time, the "**Loan Agreement**") by and among Balsam Brands Inc., a Delaware corporation and another affiliate of Grantor (collectively, the "**Borrower**"), and Secured Party, Secured Party agreed to provide Borrower with certain credit accommodations in the aggregate stated principal amount not to exceed \$12,000,000.00, all as described more specifically in the Loan Agreement. Capitalized terms used and not otherwise defined herein shall have the meanings given those terms in the Loan Agreement.

B. Grantor expects to realize direct and indirect benefits as a result of the availability of the aforementioned loan credit facilities to Borrower and as a result of financial business support which will be provided to Grantor by Borrower.

C. The Loan Agreement provides, as a condition of the availability of such credit facilities, that Grantor shall enter into this Agreement and shall grant security interests to Secured Party as herein provided.

### AGREEMENT

NOW, THEREFORE, in order to induce Secured Party to extend the credit under the Loan Agreement to Borrower, and for other good and valuable consideration, the receipt and adequacy of which hereby are acknowledged, Grantor hereby represents, warrants, covenants, agrees, assigns and grants as follows:

1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of the Borrower's present or future indebtedness, obligations and liabilities to Secured Party, Grantor hereby grants a security interest and mortgage to Secured Party, in and to Grantor's entire right, title and interest in, to and under the following (all of which shall collectively be called the "**Collateral**"):

(a) Any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including, without limitation those set forth on Exhibit A attached hereto (collectively, the "**Copyrights**");

(b) Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

(c) All patents, patent applications and like protections including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "**Patents**");

(d) Any trademark and service mark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Grantor connected with and symbolized by such trademarks, including without limitation those set forth on Exhibit C attached hereto (collectively, the "**Trademarks**");

(e) Any and all claims for damages by way of past, present and future infringement of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(f) All licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights; and

(g) All amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks or Patents; and

(h) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

2. Authorization and Request. Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this security agreement. Grantor instructs and direct the registered agent of the Grantor to enter the particulars of this security agreement granting interests over the assets of the Grantor, in (i) the register of charges of the Grantor as obligated under section 162 of the BVI Business Companies Act, 2004 (the "**Act**"); and (ii) the register of charges maintained in respect of the Grantor by the BVI Registrar of Corporate Affairs under section 163 of the Act or to provide such assistance as may be required by the Secured Party or its representatives in effecting such a registration.

3. Covenants and Warranties. Grantor represents, warrants, covenants and agrees as follows:

(a) Grantor is now the sole owner of the Collateral, except for non-exclusive licenses granted by Grantor to its customers in the ordinary course of business and exclusive licenses granted to Borrower to use certain Collateral in the United States;

(b) Performance of this Agreement does not conflict with or result in a breach of any agreement to which Grantor is party or by which Grantor is bound, except to the extent that certain intellectual property agreements prohibit the assignment of the rights thereunder to a third party without the licensor's or other party's consent and this Agreement constitutes an assignment;

(c) During the term of this Agreement, Grantor will not transfer or otherwise encumber any interest in the Collateral, except for non-exclusive licenses granted by Grantor in the ordinary course of business, or licenses of any type made to Borrower, or as set forth in this Agreement;

(d) Each of the Patents is valid and enforceable, and no part of the Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Collateral violates the rights of any third party;

(e) Grantor shall deliver to Secured Party within thirty (30) days of the last day of each fiscal quarter, a report signed by Grantor, in form reasonably acceptable to Secured Party, listing any applications or registrations that Grantor has made or filed in respect of any patents, copyrights or trademarks and the status of any outstanding applications or registrations. Grantor shall promptly advise Secured Party of any material change in the composition of the Collateral, including but not limited to any subsequent ownership right of the Grantor in or to any Trademark, Patent or Copyright not specified in this Agreement;

(f) Grantor shall (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights, (ii) use its best efforts to detect infringements of the Trademarks, Patents and Copyrights and promptly advise Secured Party in writing of material infringements detected and (iii) not allow any Trademarks, Patents or Copyrights to be abandoned, forfeited or dedicated to the public without the written consent of Secured Party, which shall not be unreasonably withheld, unless Grantor determines that reasonable business practices suggest that abandonment is appropriate;

(g) Grantor shall register or cause to be registered (to the extent not already registered) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, those intellectual property rights listed on Exhibits A, B and C hereto within thirty (30) days of the date of this Agreement. Grantor shall promptly inform Secured Party of any additional intellectual property rights developed or acquired by Grantor from time to time in connection with any product or service prior to the sale or licensing of such product or service to any third party (including without limitation revisions or additions to the intellectual property rights listed on such Exhibits A, B and C) and, if requested by Secured Party, shall register or cause to be registered such rights with the United States Patent and Trademark Office or the United States Copyright Office, as applicable. Grantor shall, from time to time, execute and file such other instruments, and take such further actions as Secured Party may reasonably request from time to time to perfect or continue the perfection of Secured Party's interest in the Collateral. Grantor shall instruct and direct the registered agent of the Grantor to enter the particulars of this security agreement granting interests over the assets of the Grantor, in (i) the register of charges of the Grantor as obligated under section 162 of Act; and (ii) the register of charges maintained in respect of the Grantor by the BVI Registrar of Corporate Affairs under section 163 of the Act or to provide such assistance as may be required by the Secured Party or its representatives in effecting such a registration;

(h) This Agreement creates, and in the case of after acquired Collateral, this Agreement will create at the time Grantor first has rights in such after acquired Collateral, in favor of Secured Party, a valid and perfected first priority security interest in the Collateral in the

United States securing the payment and performance of the obligations evidenced by the Loan Documents upon making the filings referred to in clause (i) below;

(i) Except for, and upon, the filing with the United States Patent and Trademark office with respect to the Patents and Trademarks and the Register of Copyrights with respect to the Copyrights necessary to perfect the security interests created hereunder, and, except as has been already made or obtained, no authorization, approval or other action by, and no notice to or filing with, any U.S. governmental authority or U.S. regulatory body is required either (i) for the grant by Grantor of the security interest granted hereby or for the execution, delivery or performance of this Agreement by Grantor in the U.S. or (ii) for the perfection in the United States or the exercise by Secured Party of its rights and remedies hereunder;

(j) All information heretofore, herein or hereafter supplied to Secured Party by or on behalf of Grantor with respect to the Collateral is accurate and complete in all material respects;

(k) Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Secured Party's prior written consent, which consent shall not be unreasonably withheld. Grantor shall not permit the inclusion in any material contract to which it becomes a party of any provisions that could or might in any way prevent the creation of a security interest in Grantor's rights and interests in any property included within the definition of the Collateral acquired under such contracts, except that certain contracts may contain anti-assignment provisions that could in effect prohibit the creation of a security interest in such contracts if Grantor is required, in its commercially reasonable judgment to accept such provisions;

(l) Upon any executive officer of Grantor obtaining knowledge thereof, Grantor will promptly notify Secured Party in writing of any event that materially adversely affects the value of any of the Collateral, the ability of Grantor to dispose of any Collateral or the rights and remedies of Secured Party in relation thereto, including the levy of any legal process against any of the Collateral' and

(m) Performance of this Agreement does not conflict with or result in a breach of any resolution of members of the Grantor.

4. Secured Party's Rights. Secured Party shall have the right, but not the obligation, to take, at Grantor's sole expense, any actions that Grantor, is required under this Agreement to take but which Grantor fails to take, after fifteen (15) days' notice to Grantor. Grantor shall reimburse and indemnify Secured Party for all reasonable costs and expenses incurred in the reasonable exercise of Secured Party's rights under this Section 4.

5. Inspection Rights. Grantor hereby grants to Secured Party and its employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable written notice to Grantor, any of Grantor's plants and facilities that manufacture; install or store products (or that have done so during the prior six-month period) that are sold utilizing any of the Collateral, and to inspect the products and quality control records relating thereto upon reasonable notice to Grantor and as often as may be reasonably requested.

6. Further Assurances; Attorney in Fact.

(a) On a continuing basis, Grantor will make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including, appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademark Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by Secured Party, to perfect Secured Party's security interest in all Copyrights, Patents and Trademarks and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to Secured Party the grant or perfection of a security interest in all Collateral.

(b) Grantor hereby irrevocably appoints Secured Party as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, from time to time in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including:

(i) To modify, in its sole discretion, this Agreement without first obtaining Grantor's approval of or signature to such modification, but only by amending Exhibit A, Exhibit B and Exhibit C, hereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Grantor no longer has or claims any right, title or interest;

(ii) To file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of Grantor where permitted by law; and

(iii) After the occurrence of an Event of Default, to transfer the Collateral into the name of Secured Party or a third party to the extent permitted under the California Uniform Commercial Code.

7. Events of Default. The occurrence of any or the following shall constitute an Event of Default under this Agreement:

(a) An Event of Default occurs under the Loan Documents, or

(b) Grantor breaches any warranty or agreement made by Grantor in this Agreement and, as to any breach that is capable of cure, Grantor fails to cure such breach within ten (10) business days of such breach.

8. Remedies. Upon the occurrence of an Event of Default, Secured Party shall have the right to exercise all the remedies of a secured party under the California Uniform Commercial Code, including without limitation the right to require Grantor to assemble the Collateral and any tangible property in which Secured Party has a security interest and to make it available to Secured Party at a place designated by Secured Party. Secured Party shall have a nonexclusive, royalty free license to use the Copyrights, Patents and Trademarks to the extent

reasonably necessary to permit Secured Party to exercise its rights and remedies upon the occurrence of an Event of Default. Grantor will pay any expenses (including attorneys' fees) incurred by Secured Party in connection with the exercise of any of Secured Party's rights hereunder, including without limitation any expense incurred in disposing of the Collateral. All of Secured Party's rights and remedies with respect to the Collateral shall be cumulative.

9. Indemnity. Grantor agrees to defend, indemnify and hold harmless Secured Party and its officers, employees, and agents against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Agreement, and (b) all losses or expenses in any way suffered, incurred, or paid by Secured Party as a result of or in any way arising out of, following or consequential to transactions between Secured Party and Grantor, whether under this Agreement or otherwise (including without limitation attorneys fees and expenses), except for losses arising from or out of Secured Party's gross negligence or willful misconduct.

10. Waivers and Consents. Grantor acknowledges that the Liens created or granted herein will or may secure Obligations of parties other than such Grantor and, in full recognition of that fact, Grantor consents and agrees that Secured Party may, at any time and from time to time, without notice or demand, and without affecting the enforceability or security hereof: (a) supplement, modify, amend, extend, renew, accelerate or otherwise change the time for payment or the terms of the Obligations secured hereby or any part thereof, including any increase or decrease of the rate(s) of interest thereon; (b) supplement, modify, amend or waive, or enter into or give any agreement, approval or consent with respect to, the Obligations secured hereby or any part thereof, or any of the Loan Documents or any additional security or guaranties, or any condition, covenant, default, remedy, right, representation or term thereof or thereunder; (c) accept new or additional instruments, documents or agreements in exchange for or relative to any of the Loan Documents or the Obligations secured hereby or any part thereof; (d) accept partial payments on the Obligations secured hereby; (e) receive and hold additional security or guaranties for the Obligations secured hereby or any part thereof; (f) release, reconvey, terminate, waive, abandon, fail to perfect, subordinate, exchange, substitute, transfer and/or enforce any security or guaranties, and apply any security and direct the order or manner of sale thereof as Secured Party in its sole and absolute discretion may determine; (g) release any party or person from any personal liability with respect to the Obligations secured hereby or any part thereof; (h) settle, release on terms satisfactory to Secured Party or by operation of applicable Laws or otherwise liquidate or enforce any Obligations secured hereby and any security or guaranty in any manner, consent to the transfer of any security and bid and purchase at any sale; and/or (i) consent to the merger, change or any other restructuring or termination of the corporate or other existence of any Grantor or any other Person, and correspondingly restructure the Obligations secured hereby, and any such merger, change, restructuring or termination shall not affect the liability of Grantor or the continuing existence of any Lien hereunder, under any other Loan Document to which any Grantor is a party or the enforceability hereof or thereof with respect to all or any part of the Obligations secured hereby.

Upon the occurrence and during the continuance of any Event of Default, Secured Party may enforce this Agreement independently as to Grantor and independently of any other remedy or security Secured Party at any time may have or hold in connection with the Obligations secured hereby. Grantor expressly waives any right to require Secured Party to



marshal assets in favor of Borrower or any other obligor, and agrees that Secured Party may proceed against Borrower or any other obligor, or upon or against any security or remedy, before proceeding to enforce this Agreement, in such order as Secured Party shall determine in its sole and absolute discretion. Secured Party may file a separate action or actions against Borrower, any other obligor and/or Grantor without respect to whether action is brought or prosecuted with respect to any security or against any other party or person, or whether any other party or person is joined in any such action or actions. Grantor agrees that Secured Party and Borrower and any affiliates of Borrower may deal with each other in connection with the Obligations secured hereby or otherwise, or alter any contracts or agreements now or hereafter existing between any of them, in any manner whatsoever, all without in any way altering or affecting the security of this Agreement. Secured Party's rights hereunder shall be reinstated and revived, and the enforceability of this Agreement shall continue, with respect to any amount at any time paid on account of the Obligations secured hereby which thereafter shall be required to be restored or returned by Secured Party upon the bankruptcy, insolvency or reorganization of Borrower or any other party or person, or otherwise, all as though such amount had not been paid. Grantor agrees that the rights of Secured Party created or granted herein and the enforceability of this Agreement with respect to Grantor at all times shall remain effective to guarantee the full amount of all the Obligations secured hereby even though the Obligations secured hereby, or any part thereof, or any security or guarantee therefor, may be or hereafter may become invalid or otherwise unenforceable as against Borrower, any other obligor or any other guarantor or surety and whether or not Borrower or any other obligor shall have any personal liability with respect thereto. Grantor expressly waives any and all defenses now or hereafter arising or asserted by reason of (a) any disability or other defense of Borrower or any other obligor with respect to the Obligations secured hereby, (b) the unenforceability or invalidity of any security or guaranty for the Obligations secured hereby or the lack of perfection or continuing perfection or failure of priority of any security for the Obligations secured hereby, (c) the cessation for any cause whatsoever of the liability of Borrower or any other obligor (other than by reason of the full payment and performance of all Obligations secured hereby), (d) any failure of Secured Party to marshal assets in favor of Borrower or any other party or person, (e) any failure of Secured Party to give notice of sale or other disposition of Collateral to Grantor or any other party or person or any defect in any notice that may be given in connection with any sale or disposition of Collateral, (f) any failure of Secured Party to comply with applicable laws in connection with the sale or other disposition of any Collateral or other security for any Obligations secured hereby, including without limitation, any failure of Secured Party, except at such time when the value of the available Collateral and other security securing the Obligations secured hereby exceeds such Obligations, to conduct a commercially reasonable sale or other disposition of any Collateral or other security for any Obligations secured hereby, (g) any act or omission of Secured Party or others that directly or indirectly results in or aids the discharge or release of Borrower or any other obligor or the Obligations secured hereby or any security or guaranty therefor by operation of law or otherwise, (h) any law which provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation, (i) any failure of Secured Party to file or enforce a claim in any bankruptcy or other proceeding with respect to any party or person, (j) the election by Secured Party, in any bankruptcy proceeding of any party or person, of the application or non-application of Section 1111(b)(2) of the United States Bankruptcy Code, (k) any extension of credit or the grant of any Lien under Section 364

of the United States Bankruptcy Code, (l) any use of cash collateral under Section 363 of the United States Bankruptcy Code, (m) any agreement or stipulation with respect to the provision of adequate protection in any bankruptcy proceeding of any party or person, (n) the avoidance of any Lien in favor of Secured Party for any reason, (o) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against any party or person, including any discharge of, or bar or stay against collecting, all or any of the Obligations secured hereby (or any interest thereon) in or as a result of any such proceeding, or (p) any action taken by Secured Party that is clearly authorized by this Section or any other provision of the Loan Documents. Until no part of any commitment remains outstanding and all of the Obligations secured hereby have been paid and performed in full, Grantor shall not have any right of subrogation, contribution, reimbursement or indemnity, and Grantor expressly waives any right to enforce any remedy that Secured Party now has or hereafter may have against any other party or person and waives the benefit of, or any right to participate in, any Collateral now or hereafter held by Secured Party. Grantor waives all rights and defenses arising out of an election of remedies by Secured Party, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for the obligations has destroyed such Grantor's rights of subrogation and reimbursement against the principal. Grantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Obligations secured hereby, and all notices of acceptance of this Agreement or of the existence, creation or incurring of new or additional Obligations secured hereby.

11. Condition of Borrower and its Subsidiaries and Other Obligors. Grantor represents and warrants to Secured Party that Grantor has established adequate means of obtaining from Borrower and the other obligors, on a continuing basis, financial and other information pertaining to the businesses, operations and condition (financial and otherwise) of Borrower and the other obligors, and their assets and properties, and Grantor now is and hereafter will be completely familiar with the businesses, operations and condition (financial and otherwise) of Borrower and the other obligors, and their assets and properties. Grantor hereby expressly waives and relinquishes any duty on the part of Secured Party (should any such duty exist) to disclose to such Grantor any matter, fact or thing related to the businesses, operations or condition (financial or otherwise) of Borrower or any other obligor, or their assets and properties, whether now known or hereafter known by Secured Party during the life of this Agreement. With respect to any of the Obligations secured hereby, Secured Party need not inquire into the powers of Borrower or any other obligor, or the officers or employees acting or purporting to act on their behalf, and all Obligations secured hereby made or created in good faith reliance upon the professed exercise of such powers shall be secured hereby.

12. Liens on Real Property. In the event that all or any part of the Obligations secured hereby at any time are secured by any one or more deeds of trust or mortgages or other instruments creating or granting Liens on any interests in real property, Grantor authorizes Secured Party, upon the occurrence of and during the continuance of any Event of Default, at its sole option, without notice or demand and without affecting any obligations of Grantor, the enforceability of this Agreement, or the validity or enforceability of any Liens of Secured Party on any Collateral, to foreclose any or all of such deeds of trust or mortgages or other instruments by judicial or nonjudicial sale. Grantor expressly waives any defenses to the enforcement of this

Agreement or any Liens created or granted hereby or to the recovery by Secured Party against Borrower or any guarantor or any other party or person liable therefor of any deficiency after a judicial or nonjudicial foreclosure or sale, even though such a foreclosure or sale may impair the subrogation rights of Grantor and may preclude Grantor from obtaining reimbursement or contribution from any other Person. Grantor expressly waives any defenses or benefits that may be derived from California Code of Civil Procedure §§ 580a, 580b, 580d or 726, or comparable provisions of the laws of any other jurisdiction, including, without limitation any and all other suretyship defenses it otherwise might or would have under California law or other applicable law. Grantor expressly waives any right to receive notice of any judicial or nonjudicial foreclosure or sale of any real property or interest therein subject to any such deeds of trust or mortgages or other instruments and any Grantor's failure to receive any such notice shall not impair or affect such Grantor's obligations or the enforceability of this Agreement or any Liens created or granted hereby.

13. Waiver of Rights of Subrogation. Notwithstanding anything to the contrary elsewhere contained herein or in any other Loan Document to which any Grantor is a party, until such time as the Obligations secured hereby shall have been paid in full, Grantor hereby waives with respect to the other obligors and their successors and assigns (including any surety) and any other party or person, any and all rights at law or in equity to subrogation, to reimbursement, to exoneration, to indemnity, to contribution, to setoff or to any other rights that could accrue to a surety against a principal, to a guarantor against a maker or obligor, to an accommodation party against the party accommodated, or to a holder or transferee against a maker and which such Grantor may have or hereafter acquire against any other obligor or any other Person in connection with or as a result of Grantor's execution, delivery and/or performance of this Agreement or any other Loan Document to which Grantor is a Party. Grantor agrees that, until such time as the Obligations secured hereby shall have been paid in full, it shall not have or assert any such rights against any other obligor or its successors and assigns or any other party or person (including any surety) which is directly or indirectly a creditor of any other obligor or any surety for any other obligor, either directly or as an attempted setoff to any action commenced against Grantor by any other obligor (as borrower or in any other capacity) or any other party or person. Grantor hereby acknowledges and agrees that this waiver is intended to benefit the other obligors and Secured Party and shall not limit or otherwise affect Grantor's liability hereunder, under any other Loan Document to which Grantor is a party, or the enforceability hereof or thereof.

14. Waiver of Discharge. Without limiting the generality of the foregoing, Grantor hereby waives discharge by waiving all defenses based on suretyship or impairment of collateral.

15. Understandings with Respect to Waivers and Consents. Grantor warrants and agrees that each of the waivers and consents set forth herein is made after consultation with legal counsel and with full knowledge of its significance and consequences, with the understanding that events giving rise to any defense or right waived may diminish, destroy or otherwise adversely affect rights which Grantor otherwise may have against Borrower, Secured Party or others, or against Collateral, and that, under the circumstances, the waivers and consents herein given are reasonable and not contrary to public policy or law. If any of the waivers or consents herein are determined to be contrary to any applicable law or public policy, such waivers and consents shall be effective to the maximum extent permitted by law.

16. Course of Dealing. No course of dealing, nor any failure to exercise, nor any delay in exercising any right, power or privilege hereunder shall operate as a- waiver thereof.

17. Attorneys Fees. If any action relating to this Agreement is brought by either party hereto against the other party, the prevailing party shall be entitled to recover reasonable attorneys fees, costs and disbursements.

18. Amendments. This Agreement may be amended only by a written instrument signed by both parties hereto.

19. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

20. California Law and Jurisdiction. This Agreement shall be governed by the laws of the State of California, without regard for choice of law provisions. Grantor and Secured Party consent to the exclusive jurisdiction of any state or federal court located in California.

21. Dispute Resolution. This Agreement incorporates any alternative dispute resolution agreement previously, concurrently or hereafter executed between Grantor and Secured Party.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, Grantor has executed this Agreement by its duly authorized officer as of the date first written above.

GRANTOR:

RED SLATE BRANDS, INC.,  
a British Virgin Islands corporation

By: 

Name: Thomas Harman

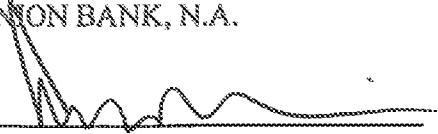
Title: President

ACCEPTED AND AGREED AS OF  
THE DATE FIRST ABOVE  
WRITTEN:

SECURED PARTY:

MUFG UNION BANK, N.A.

By:



Name:

Arash Ghossein

Title:

Vice President

EXHIBIT A  
List of Copyrights

*[N/A]*

EXHIBIT B

List of Patents

*[N/A]*



EXHIBIT C

List of Trademarks

<u>Word Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Serial Number</u>
Balsam Hill	3395353	March 11, 2008	77000539
Balsam Hill	3466368	July 15, 2008	77302628