

08-20-1998

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

SHEET

Attorney Docket No. 06739.0009

To the Honorable Commissioner of ,

100800639

attached original documents or copy thereof.

1. Name(s) of conveying party(ies):

THE LAMAU CORPORAION

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation

Other: _____

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name

Other: _____

Execution Date: July 31, 1998

2. Name(s) and address(es) of receiving party(ies):

Name: ZOTOS INTERNATIONAL, INC.

Address: 100 Tokeneke Road

Darien, Connecticut 06820-1005

- ☐ Individual(s)
☐ Association
☐ General Partnership
☐ Limited Partnership
☒ Corporation
☐ Other:

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☒ No

(Designation must be a separate document from Assignment)

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1,018,351	1,017,724
1,303,382	774,262
1,785,127	753,442
883,902	828,335

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Christopher P. Foley, Esq.

Address: Finnegan, Henderson, Farabow,

Garrett & Dunner, L.L.P.

1300 I Street, N.W.

Washington, D.C. 20005-3315

6. Total number of applications and registrations involved:

Eight (8) U.S. Trademark Registrations

7. Total fee (37 CFR 3.41): \$ 215.00

- ☒ Enclosed
☐ Authorized to be charged to deposit account
☒ Authorized to be charged to deposit account only if fee is deficient or missing

8. Deposit account number:

06-0916

08/18/1998 JSHABAZZ 00000023 1018351

01 FC:481
02 FC:48240.00 OP
175.00 OP

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Christopher P. Foley, Esq.
Name of Person Signing

Signature

July 31, 1998
Date

Total number of pages including cover sheet, attachments, and document: 15

SECURITY AGREEMENT dated as of July 31, 1998 (the "*Agreement*"), between THE LAMAU CORPORATION, a Delaware corporation (the "*Company*"), and ZOTOS INTERNATIONAL, INC., a New York corporation (the "*Secured Party*").

INTRODUCTION

The parties have entered into an Asset Purchase Agreement, dated as of July 15, 1998 (the "*Purchase Agreement*") between the Company and the Secured Party, pursuant to which the Secured Party is acquiring certain Assets of the Company.

As of the date hereof, the Company and the Secured Party have entered into a License Agreement (the "*License Agreement*"), pursuant to which the Company has granted to the Secured Party an exclusive, perpetual, royalty-free worldwide license to use the Marks. The License Agreement is one of the Transaction Documents entered into by the parties in connection with the Purchase Agreement.

In order to induce the Secured Party to enter into the Purchase Agreement and the License Agreement, the Company has agreed to execute and perform this Agreement.

In consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions.

(a) Terms defined in the License Agreement and the Purchase Agreement and not otherwise defined herein shall have the respective meanings ascribed to such terms in such Agreements. If any term is defined in both the License Agreement and the Purchase Agreement, then such term shall have be defined herein as defined in the License Agreement. The following additional terms, as used herein, have the following respective meanings:

"*Collateral*" has the meaning set forth in Section 3.

"*Event of Default*" means the occurrence of any one or more of the following:

(a) the Company shall fail to perform in any material respect any of its obligations under the License Agreement or this Agreement, and such failure shall continue 10 days after notice thereof shall have been given to the Company; or

(b) (i) the Company shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property; or (ii) an involuntary case or other proceeding shall be commenced against the Company seeking any such relief or appointment and (A) the Company shall consent thereto, (B) an order for relief shall be granted or (C) such case or

proceeding shall remain undismissed and unstayed for a period of 45 days; or (iii) the Company or any of its subsidiaries shall make a general assignment for the benefit of creditors, shall fail generally to pay its debts as they become due, or shall take any action to authorize any of the foregoing.

"Lien" means, with respect to any asset, any restriction on or condition to transfer or assignment, claim, liability, mortgage, lien, pledge, charge, security interest, restriction, assessment, option or encumbrance of any kind, whether accrued, absolute, contingent or otherwise, in respect of such asset. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Marks" means the marks LAMAUR®, STYLE® and STYLAC® (including LAMAUR® U.S. Registration Numbers 1,018,351 and 1,303,382, STYLE® U.S. Registration Numbers 1,785,127, 883,902, 1,017,724, 774,262 and 753,442 and STYLAC® U.S. Registration Number 828,335), and their associated logos.

"Perfection Certificate" means a certificate substantially in the form of Exhibit A, completed and supplemented with the schedules and attachments contemplated thereby to the satisfaction of the Secured Party, and duly executed by the chairman or chief executive officer of the Company.

"Permitted Liens" means the security interest granted to Norwest Business Credit, Inc. pursuant to the Trademark Mortgage, dated November 16, 1995, as amended.

"Proceeds" means all proceeds of, and all other profits, products, rents or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or other realization upon, collateral, including without limitation all claims of the Company against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral, and any condemnation or requisition payments with respect to any Collateral, in each case whether now existing or hereafter arising.

"Secured Obligations" means the obligations secured under this Agreement including (a) Secured Party's rights in the Marks and all other obligations of and amounts payable by the Company under the License Agreement and (b) all other obligations of and amounts payable by the Company hereunder and (c) any renewals or extensions of any of the foregoing.

"Secured Party" means the Secured Party.

"Security Interests" means the security interests in the Collateral granted hereunder securing the Secured Obligations.

"UCC" means the Uniform Commercial Code as in effect on the date hereof in the State of New York; *provided* that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the Security Interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

(b) The rules of interpretation set forth in Section 1.39 of the Purchase Agreement shall apply to this Agreement.

2. Representations and Warranties.

The Company represents and warrants as follows:

(a) The Company has good and marketable title to all of the Collateral, free and clear of any Liens except for Permitted Liens.

(b) The Company has not performed any acts which might prevent the Secured Party from enforcing any of the terms of this Agreement or which would limit the Secured Party in any such enforcement. Other than financing statements or other similar or equivalent documents or instruments filed with respect to the Permitted Liens with respect to the Security Interests, no financing statement, mortgage, security agreement or similar or equivalent document or instrument covering all or any part of the Collateral is on file or of record in any office, agency or jurisdiction in which such filing or recording would be effective to perfect a Lien on such Collateral.

(c) The Company has delivered the Perfection Certificate to the Secured Party and the information set forth therein is correct and complete. Not later than ten (10) days following the date of this Agreement, the Company shall furnish to the Secured Party file search reports from each UCC filing office set forth in Schedule 5 to the Perfection Certificate and from the U.S. Patent and Trademark Office confirming the filing information set forth in such Schedule.

(d) The Security Interests constitute valid security interests under the UCC securing the Secured Obligations. When UCC financing statements in the form specified in Exhibit A shall have been filed in the offices specified in the Perfection Certificate and this Agreement shall have been filed in the U.S. Patent and Trademark Office, the Security Interests shall constitute perfected security interests in the Collateral, prior to all other Liens and rights of others, except for the Permitted Liens.

3. The Security Interests.

(a) In order to secure the full and punctual payment of the Secured Obligations in accordance with the terms thereof, and to secure the performance of all of the obligations of the Company hereunder and under the License Agreement, the Company hereby grants to the Secured Party a continuing security interest in and to (i) the Marks and the goodwill and Intellectual Property Rights associated therewith, each with respect to the Business (the "Collateral"), (ii) all books and records of the Company pertaining to any of the Collateral; (iii) all Proceeds of all or any of the Collateral described in clauses (i) and (ii) hereof.

(b) The Security Interests are granted as security only and shall not subject the Secured Party to, or transfer or in any way affect or modify, any obligation or liability of the Company with respect to any of the Collateral or any transaction in connection therewith.

4. Further Assurances; Covenants

(a) The Company will not change its name, identity or corporate structure in any manner unless it shall have given the Secured Party prior notice thereof and delivered an opinion of counsel with respect thereto in accordance with Section 4(g). The Company will not

change the location of (i) its chief executive office or chief place of business or (ii) the locations where it keeps or holds any Collateral or any records relating thereto from the applicable location described in the Perfection Certificate unless it shall have given the Secured Party prior notice thereof and delivered an opinion of counsel with respect thereto in accordance with Section 4(g). The Company shall not in any event change the location of any Collateral if such change would cause the Security Interests in such Collateral to lapse or cease to be perfected.

(b) The Company will, from time to time, at its expense, execute, deliver, file and record any statement, assignment, instrument, document, agreement or other paper and take any other action, (including, without limitation, any filings of financing or continuation statements under the UCC) that from time to time may be necessary or desirable, or that the Secured Party may reasonably request, in order to create, preserve, perfect, confirm or validate the Security Interests or to enable the Secured Party to obtain the full benefits of this Agreement, or to enable the Secured Party to exercise and enforce any of its rights, powers and remedies hereunder with respect to any of the Collateral. To the extent permitted by applicable law, the Company hereby authorizes the Secured Party to execute and file financing statements or continuation statements without the Company's signature appearing thereon. The Company agrees that a carbon, photographic, photostatic or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement. The Company shall pay the costs of, or incidental to, any recording or filing of any financing or continuation statements concerning the Collateral.

(c) If any Collateral is at any time in the possession or control of any warehouseman, bailee or any of the Company's agents or processors, the Company shall notify such warehouseman, bailee, agent or processor of the Security Interests created hereby and, subject to the rights of the holder of any Permitted Lien, to hold all such Collateral for the Secured Party's account subject to the Secured Party's instructions.

(d) The Company shall keep full and accurate books and records relating to the Collateral, and stamp or otherwise mark such books and records in such manner as the Secured Party may reasonably require in order to reflect the Security Interests.

(e) Without the prior written consent of the Secured Party, the Company will not sell, lease, exchange, assign or otherwise dispose of, or grant any option with respect to, any Collateral except in accordance with the Purchase Agreement and the License Agreement.

(f) The Company will, promptly upon request, provide to the Secured Party all information and evidence it may reasonably request concerning the Collateral to enable the Secured Party to enforce the provisions of this Agreement.

(g) Not more than six months nor less than 30 days prior to each date on which the Company proposes to take any action contemplated by Section 4(a), the Company shall, at its cost and expense, cause to be delivered to the Secured Party an opinion of counsel, in form and substance reasonably satisfactory to the Secured Party, to the effect that all financing statements and amendments or supplements thereto, continuation statements and other documents required to be recorded or filed in order to perfect and protect the Security Interests for a period, specified in such opinion, continuing until a date not earlier than 18 months from the date of such opinion, against all creditors of and purchasers from the Company have been filed in each filing office necessary for such purpose and that all filing fees and taxes, if any, payable in connection with such filings have been paid in full.

5. General Authority.

Subject to the rights of the holders of Permitted Liens, the Company hereby irrevocably appoints the Secured Party its true and lawful attorney, with full power of substitution, in the name of the Company and the Secured Party or otherwise, for the sole use and benefit of the Secured Party, but at the Company's expense, to the extent permitted by law to exercise, at any time and from time to time while an Event of Default has occurred and is continuing, all or any of the following powers with respect to all or any of the Collateral:

- (i) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due thereon or by virtue thereof,
- (ii) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto
- (iii) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof, as fully and effectually as if the Secured Party were the absolute owner thereof, and
- (iv) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto;

provided that the Secured Party shall give the Company not less than 10 days' prior written notice of the time and place of any sale or other intended disposition of any of the Collateral, except any Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market. The Company agrees that such notice constitutes "*reasonable notification*" within the meaning of Section 9-504(3) of the UCC.

6. Remedies upon Event of Default.

(a) If any Event of Default has occurred and is continuing, subject to the rights of the holders of Permitted Liens, the Secured Party may exercise all rights of a secured party under the UCC (whether or not in effect in the jurisdiction where such rights are exercised) and, in addition, the Secured Party may, without being required to give any notice, except as herein provided or as may be required by mandatory provisions of law, (i) apply cash, if any, then held by it as Collateral as specified in Section 8, (ii) if there shall be no such cash or if such cash shall be insufficient to pay all the Secured Obligations in full, sell the Collateral or any part thereof at public or private sale, for cash, upon Loan or for future delivery, and at such price or prices as the Secured Party may deem satisfactory or (iii) continue to license or use the Collateral in accordance with the terms of the License Agreement. The Secured Party may be the purchaser of any or all of the Collateral so sold at any public sale (or, if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, at any private sale). The Company will execute and deliver such documents and take such other action as the Secured Party deems necessary or advisable in order that any such sale, license or use of the Collateral may be made in compliance with law. Upon any such sale the Secured Party shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. Each purchaser at any such sale shall hold the Collateral so sold to it absolutely and free from any claim or right of whatsoever kind, including any equity or right of redemption of the Company which may be waived, and the Company, to the extent permitted by law, hereby specifically waives all rights of redemption, stay or appraisal which it has or may have under any law now existing or hereafter adopted. The notice (if any) of such sale required by

Section 5 shall (1) in case of a public sale, state the time and place fixed for such sale, and (2) in the case of a private sale, state the day after which such sale may be consummated. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Secured Party may fix in the notice of such sale. At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels, as the Secured Party may determine. The Secured Party shall not be obligated to make any such sale pursuant to any such notice. The Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned. In case of any sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by the Secured Party until the selling price is paid by the purchaser thereof, but the Secured Party shall not incur any liability in case of the failure of such purchaser to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may again be sold upon like notice. The Secured Party, instead of exercising the power of sale herein conferred upon it, may proceed by a suit or suits at law or in equity to foreclose the Security Interests and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction.

(b) For the purpose of enforcing any and all rights and remedies under this Agreement, subject to the rights of the holders of Permitted Liens, the Secured Party may (i) require the Company to, and the Company agrees that it will, at its expense and upon the request of the Secured Party, forthwith assemble all or any part of the Collateral as directed by the Secured Party and make it available at a place designated by the Secured Party which is, in its opinion, reasonably convenient to the Secured Party and the Company, whether at the premises of the Company or otherwise, (ii) to the extent permitted by applicable law, enter, with or without process of law and without breach of the peace, any premise where any of the Collateral is or may be located, and without charge or liability to it seize and remove such Collateral from such premises, (iii) have access to and use the Company's books and records relating to the Collateral and (iv) prior to the disposition of the Collateral, store or transfer it without charge in or by means of any storage or transportation facility owned or leased by the Company, process, repair or recondition it or otherwise prepare it for disposition in any manner and to the extent the Secured Party deems appropriate and, in connection with such preparation and disposition, use without charge any trademark, trade name, copyright, patent or technical process used by the Company.

7. Limitation on Duty of Secured Party in Respect of Collateral.

Beyond the exercise of reasonable care in the custody thereof, the Secured Party shall have no duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. The Secured Party shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property, and shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other agent or bailee selected by the Secured Party in good faith.

8. Application of Proceeds.

Upon the occurrence and during the continuance of an Event of Default, the proceeds of any sale of, or other realization upon, all or any part of the Collateral shall be applied by the Secured Party in the following order of priorities:

first, to payment of the expenses of such sale or other realization, including reasonable compensation to agents and counsel for the Secured Party, and all expenses, liabilities and advances incurred or made by the Secured Party in connection therewith, and any other unreimbursed expenses for which the Secured Party is to be reimbursed pursuant to the License Agreement or Section 9 hereof;

second, to the payment the Secured Obligations, until all Secured Obligations shall have been paid in full; and

finally, to payment to the Company or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds.

9. Expenses.

In the event that the Company fails to comply with the provisions of the License Agreement or this Agreement, such that the value of any Collateral or the validity, perfection, rank or value of any Security Interest is thereby diminished or potentially diminished or put at risk, the Secured Party may, but shall not be required to, effect such compliance on behalf of the Company, and the Company shall reimburse the Secured Party for the costs thereof on demand. All expenses of protecting, storing, warehousing, appraising, insuring, handling, maintaining, and shipping the Collateral, consistent with reasonable industry practice among Persons similar in size to Seller, any and all excise, property, sales, and use taxes imposed by any state, federal, or local authority on any of the Collateral, or in respect of periodic appraisals and inspections of the Collateral to the extent the same may be requested by the Secured Party from time to time, or in respect of the sale or other disposition thereof shall be borne and paid by the Company; and if the Company fails to promptly pay any portion thereof when due, the Secured Party may, at its option, but shall not be required to, pay the same and charge the Company's account therefor, and the Company agrees to reimburse the Secured Party therefor on demand. All sums so paid or incurred by the Secured Party for any of the foregoing and any and all other sums for which the Company may become liable hereunder and all costs and expenses (including attorneys' fees, legal expenses and court costs) reasonably incurred by the Secured Party in enforcing or protecting the Security Interests or any of their rights or remedies under this Agreement, shall be additional Secured Obligations hereunder.

10. Termination of Security Interests; Release of Collateral.

Upon the payment in full of all Secured Obligations and the termination of the obligations of the Company under the License Agreement in accordance with the terms thereof, the Security Interests shall terminate and all rights to the Collateral shall revert to the Company. At any time and from time to time prior to such termination of the Security Interests, the Secured Party may release any of the Collateral. Upon any such termination of the Security Interests or release of Collateral, the Secured Party will, at the expense of the Company, execute and deliver to the Company such documents as the Company shall reasonably request to evidence the termination of the Security Interests or the release of such Collateral, as the case may be.

11. Notices.

All notices, communications and distributions hereunder shall be given in accordance with Section 14(a) of the Purchase Agreement.

12. Waivers, Non-Exclusive Remedies.

No failure on the part of the Secured Party to exercise, and no delay in exercising and no course of dealing with respect to, any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise by the Secured Party of any right under the License Agreement, the Purchase Agreement or this Agreement preclude any other or further exercise thereof or the exercise of any other right. The rights in this Agreement, the License Agreement and the Purchase Agreement are cumulative and are not exclusive of any other remedies provided by law.

13. Successors and Assigns.

This Agreement is for the benefit of the Secured Party and its successors and assigns, and in the event of an assignment of all or any of the Secured Obligations, the rights hereunder, to the extent applicable to the indebtedness so assigned, may be transferred with such indebtedness. This Agreement shall be binding on the Company and its successors and assigns and may not be assigned by the Company without the prior written consent the Secured Party, except the Company shall assign this Agreement to a transferee of the Marks in accordance with the terms of the License Agreement.

14. Changes in Writing.

Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but only in writing in the manner set forth in Section 13(d) of the Purchase Agreement with respect to modifications thereof.

15. Governing Law.

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, EXCEPT AS OTHERWISE REQUIRED BY MANDATORY PROVISIONS OF LAW AND EXCEPT TO THE EXTENT THAT REMEDIES PROVIDED BY THE LAWS OF ANY JURISDICTION OTHER THAN NEW YORK ARE GOVERNED BY THE LAWS OF SUCH JURISDICTION.

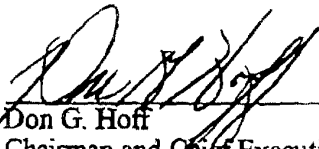
16. Severability.

If any provision hereof is invalid or unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Secured Party in order to carry out the intentions of the parties hereto as nearly as may be possible; and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

THE LAMAUR CORPORATION

By: 
Don G. Hoff
Chairman and Chief Executive Officer

ZOTOS INTERNATIONAL, INC.

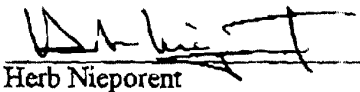
By: 
Herb Nieporent
Senior Vice President, Finance &
Administration and Treasurer

EXHIBIT A

PERFECTION CERTIFICATE

The undersigned, [the chairman or chief executive officer] of The Lamaur Corporation, a Delaware corporation, (the "*Company*"), hereby certifies with reference to the Security Agreement, dated as of July 31, 1998 (the "*Security Agreement*"), by and between the Company and ZOTOS International, Inc. (the "*Secured Party*") (terms defined therein being used herein as therein defined), to the Secured Party as follows:

1. Names. (a) The exact name of the Company is as follows:

(b) Set forth below is each other name the Company has had since its organization, together with the date of the relevant change:

(c) The Company has not changed its identity or structure in any way since its incorporation.¹

(d) The following is a list of all other names (including trade names or similar appellations) used by the Company or any of its divisions or other business units at any time since its incorporation:

2. Current Locations. (a) The chief executive office of the Company is located at the following address:

Mailing Address

County

State

¹ Changes in identity or structure would include mergers, consolidations and acquisitions, as well as any change in the form, nature or jurisdiction of formation.

Collateral: (b) The following are all the locations where the Company maintains any of the

<u>Name</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>
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3. File Search Reports. Attached hereto as Schedule 3(A) is a true copy of a file search report from the Uniform Commercial Code filing officer in each jurisdiction identified in paragraph 2 above with respect to each name set forth in paragraph 1 above. Attached hereto as Schedule 3(B) is a true copy of each financing statement or other filing identified in such file search report. Attached hereto as Schedule 3(C) is a true copy of any U.S. Patent and Trademark Office filing regarding a security interest in any intellectual property of the Company.

4. UCC Filings. A duly signed financing statement on Form UCC-1 containing a description of collateral in substantially the form of Schedule 4 hereto will be promptly duly filed in the Uniform Commercial Code filing office in each jurisdiction identified in paragraph 2 hereof. The Security Agreement will be promptly filed in the U.S. Patent and Trademark Office.

5. Schedule of Filings. Upon the completion of such filings, the Company shall promptly provide to the Secured Party a schedule setting forth filing information with respect to the filings described in paragraph 4 above in substantially the form of Schedule 5 hereto.

IN WITNESS WHEREOF, I have hereunto set my hand this 31st day of July, 1998.

Name:
Title:

SCHEDULE 4

Description of Collateral

Debtor: The Lamaur Corporation
 Secured Party: ZOTOS International, Inc.

All of the following property of the Debtor, whether now owned or existing or hereafter acquired or arising and regardless of where located (all being collectively referred to as the "*Collateral*"): (i) the Marks and the goodwill and Intellectual Property Rights associated therewith, (ii) all books and records of the Debtor pertaining to any of the Collateral; and (iii) all Proceeds of all or any of the Collateral described in clauses (i) and (ii) hereof.

Definitions:

"*Marks*" means the marks LAMAUR®, STYLE® and STYLAC® (including LAMAUR® U.S. Registration Numbers 1,018,351 and 1,303,382, STYLE® U.S. Registration Numbers 1,785,127, 883,902, 1,017,724, 774,262 and 753,442 and STYLAC® U.S. Registration Number 828,335), and their associated logos.

"*Intellectual Property Rights*" means trademark rights (including, without limitation, trade names, trademarks, service marks, logos, slogans and trade dress).

"*Proceeds*" means all proceeds of, and all other profits, products, rents or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or other realization upon, collateral, including without limitation all claims of the Company against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral, and any condemnation or requisition payments with respect to any Collateral, in each case whether now existing or hereafter arising.

"*UCC*" means the Uniform Commercial Code as in effect on the date hereof in the State of New York; provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the Security Interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "*UCC*" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

SCHEDULE 5

SCHEDULE OF FILINGS

<u>Debtor</u>	<u>Filing Officer</u>	<u>File Number</u>	<u>Date of Filing*</u>
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* Indicate lapse date, if other than fifth anniversary.