

MWD 1/27/00

FORM PTO-1618A
Expires 05/30/99
OMB 0651-0027

02-14-2000

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK



101267096

JAN 27 2000

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger
- Change of Name
- Other

Effective Date
Month Day Year
01 20 2000

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

01 20 2000

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

- Individual General Partnership Limited Partnership Association
- Corporation
- Other
- Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

02/11/2000 DMGUYEN 00000168 75507026

FOR OFFICE USE ONLY

01 FC:481 40.00 OP
02 FC:482 2950.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, TRADEMARK 231

REEL: 002017 FRAME: 0055

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
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<input type="text" value="75530540"/>	<input type="text" value="75686503"/>	<input type="text" value="75724015"/>	<input type="text" value="1431332"/>	<input type="text" value="1018459"/>	<input type="text" value="1208361"/>

Number of Properties

Enter the total number of properties involved. #

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.)
Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Jean Ward [Signature] 1-26-2000
 Name of Person Signing Signature Date Signed

**RECORDATION FORM COVER SHEET
CONTINUATION
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TRADEMARK

Conveying Party

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Execution Date
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Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

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Address (line 1)

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Individual General Partnership Limited Partnership

Corporation Association

Other

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Citizenship/State of Incorporation/Organization

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Trademark Application Number(s)

Registration Number(s)

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Address (line 3)

City

State/Country

Zip Code

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Corporation Association

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Registration Number(s)

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TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "Agreement") is made and entered into as of January 20, 2000 by TEARDROP GOLF COMPANY, a Delaware corporation having an office at 1080 Lousons Road, Union, New Jersey 07083 ("Borrower"), in favor of CONGRESS FINANCIAL CORPORATION (CENTRAL), an Illinois corporation, having an office at 150 South Wacker Drive, Suite 2200, Chicago, Illinois 60606 ("Lender").

WITNESSETH:

WHEREAS, Borrower and Lender have entered into that certain Loan and Security Agreement dated on or about the date hereof (as amended or otherwise modified from time to time, the "Loan Agreement"), providing for the extension of credit by Lender to Borrower. When capitalized and used herein, terms defined in the Loan Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement; and

WHEREAS, Lender has required, as a condition to the extension of credit under the Loan Agreement, that Borrower assign to Lender certain trademark rights.

AGREEMENT

NOW THEREFORE, in consideration of the premises and in order to induce Lender to extend credit under the Loan Agreement, Borrower hereby agrees with Lender as follows:

1. Creation of Security Interest. Borrower hereby grants to Lender a security interest in all of Borrower's right, title and interest in and to the collateral described in Section 2 herein (the "Collateral") in order to secure the payment of all Obligations (as defined in the Loan Agreement).

2. Collateral. The Collateral is:

(a) all of Borrower's trademarks, trademark registrations, trade names and trademark applications, which, in each case, are owned by Borrower and are now or hereafter filed with the United States Patent and Trademark Office, or, to the extent applicable, any similar office or agency of any state, territory or possession of the United States or any similar office or agency of any other countries or used in the United States, any state, territory or possession thereof or any other country, including, without limitation, the trademarks, trade names, trademark registrations and trademark applications listed on Schedule A attached hereto and made a part hereof, and (i) renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trademark registrations, trade names and trademark applications, together with the

items described in clauses (i)-(iv) in this subparagraph (a), are sometimes hereinafter referred to, either individually or collectively, as the “Trademarks”); and

(b) the goodwill of Borrower’s business connected with and symbolized by the Trademarks.

3. License.

(a) Grant of License to Lender. Borrower hereby grants to Lender a non-exclusive, assignable right and license (i) under the Trademarks to use such Trademarks subject to existing rights of licensees listed on Schedule A attached hereto and (ii) under any license agreements held by the Borrower with respect to trademarks owned by any person or entity other than the Borrower to the extent permitted under such agreements, and to sell Collateral bearing any such Trademarks to the extent that such license is reasonably necessary to permit or to facilitate the collection, after an Event of Default, of any accounts of Borrower or the disposition, after an Event of Default, of any Collateral (the “License”). The License shall be without royalty or any other payments or fees by Lender and the permitted use by Lender thereunder (i) shall be worldwide and (ii) shall be limited only by those restrictions to which the Borrower is subject under the Trademarks.

(b) Term of License. The term of the License (the “License Term”) shall continue until the earlier of: (i) the expiration of all of the Trademarks; (ii) full and final payment and performance of all the Obligations and termination of the Loan Agreement and the Financing Agreements; or (iii) disposition of all Collateral and any proceeds thereof in connection with the enforcement of Lender’s remedies under the Financing Agreements and application of the proceeds of such disposition to the satisfaction of the Obligations.

4. Restrictions on Future Agreements. Until the Obligations shall have been satisfied in full and the Loan Agreement and the Financing Agreements shall have been terminated, Borrower will not without Lender’s prior written consent, which consent shall not be unreasonably withheld, (a) enter into any agreement, including, without limitation, any license agreement that is inconsistent with Borrower’s obligations under this Agreement, the Loan Agreement or any other Financing Agreement to which Borrower is a party except as contemplated on Schedule A attached hereto, (b) take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action (including, without limitation, the abandonment of any Trademark), that would affect the validity or enforceability of the rights transferred to Lender under this Agreement or (c) enter into any other contractual obligations which may restrict or inhibit Lender’s rights to sell or otherwise dispose of the Collateral or any part thereof after the occurrence of an Event of Default.

5. New Trademarks. Borrower represents and warrants that the Trademarks listed on Schedule A constitute all of the registered trademarks, trade names and applications which are as of the date hereof owned by or are pending on behalf of Borrower in the United States or any state of the United States (as set forth on Schedule A). If, before the Obligations shall have been satisfied in full, Borrower shall (i) (a) obtain any registration or apply for any registration after the date hereof in the United States Patent and Trademark Office or in any

similar office or agency of a state, territory or possession of the United States or (b) obtain rights to any trademarks or trade names used in the United States or any state, territory or possession thereof, or (ii) (a) become entitled to the benefit of any trademark application, trademark, trade name or trademark registration in the United States or any state, territory or possession thereof or (b) become entitled to the benefit of any trademark or trade names used in the United States or any state, territory or possession thereof, the provisions of Section 1 shall automatically apply thereto and Borrower shall give to Lender written notice thereof. Borrower hereby authorizes Lender to modify this Agreement by amending Schedule A to include any future trademarks, trademark registrations, trademark applications and trade names that are Trademarks, as applicable, under Section 2 or under this Section 5.

6. Additional Representations and Warranties. Borrower hereby represents, warrants, covenants and agrees that:

(a) Except as otherwise provided herein or in the Loan Agreement, it is and will continue to be the owner of all its right, title and interest in the Collateral so long as the Trademarks shall continue in force, free from any Lien in favor of any person or entity.

(b) It has the full right and power to grant the security interest in the Collateral made hereby.

(c) It has made no previous assignment, transfer or agreements in conflict herewith or constituting a present or future assignment, transfer, or encumbrance on any of the Collateral.

(d) So long as any Obligations remain outstanding or any of the Loan Agreement or the Financing Agreements has not terminated, it will not execute, and there will not be on file in any public office, any financing statement or other document or instruments evidencing or giving notice of liens affecting the Collateral.

(e) No material infringement or unauthorized use presently is being made of any of the Trademarks which would adversely affect the fair market value of the Collateral or the benefits of this Agreement granted to Lender, including, without limitation, the validity, priority or perfection of the security interest granted herein or the remedies of Lender hereunder and Borrower will continue to maintain monitoring and enforcement practices which fully and adequately protect the Collateral. Borrower has advised Lender of its trademark monitoring and enforcement practices, and will not materially modify such practices without the prior written consent of Lender.

7. Royalties; Terms. Borrower hereby agrees that the permitted use by Lender of all Trademarks shall be worldwide without any liability for royalties or other related charges from Lender to Borrower. The term of the security interest granted herein shall extend until the earlier of (i) the expiration of each of the respective Trademarks, or (ii) the Obligations have been paid in full and the Loan Agreement and the Financing Agreements have been terminated.

8. Lender's Right to Maintain Quality. Borrower agrees that from and after the occurrence and continuation of an Event of Default, and the provision by Lender of written notice to Borrower of Lender's intention to enforce its rights and claims against any of the Collateral, Lender shall have the right to establish such additional product quality controls as Lender, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower under the Trademarks. Borrower agrees (i) not to sell or assign its interest in, or to grant any license under, any Trademarks without the prior written consent of Lender, which consent shall not be unreasonably withheld; (ii) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of such products as of the date hereof; and (iii) to provide Lender, upon request, with a certificate of an officer of Borrower certifying Borrower's compliance with the foregoing.

9. Duties of Borrower. Borrower shall (i) prosecute diligently any trademark application that is part of the Trademarks pending as of the date hereof or thereafter until the Obligations shall have been paid in full and the Loan Agreement and the Financing Agreements shall have been terminated, (ii) make application on trademarks, as appropriate, (iii) preserve and maintain all rights in trademark applications, trademarks, trade names, and trademark registrations that are part of the Trademarks; (iv) not abandon any right to file a trademark application nor any pending trademark application if the value thereof could reasonably be expected to justify the cost of obtaining such trademark, and (v) not abandon any given Trademark. Any expenses incurred in connection with the applications referred to in this Section 9 shall be borne by Borrower. Borrower agrees to retain an experienced trademark attorney for the filing and prosecution of all such applications and other proceedings.

If Borrower fails to comply with any of the foregoing duties, Lender may so comply in Borrower's name to the extent permitted by law, but at Borrower's expense, and Borrower hereby agrees to reimburse Lender in full for all expenses, including the reasonable fees and disbursements of attorneys and paralegals (including charges for inside counsel) incurred by Lender in protecting, defending and maintaining the Collateral.

In the event that Borrower shall fail to pay when due any fees required to be paid by it hereunder, or shall fail to discharge any Lien, prohibited hereby, or shall fail to comply with any other duty hereunder, Lender may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of Borrower, and all moneys so paid out shall be Obligations of Borrower repayable on demand, together with interest at the highest rate applicable in the Loan Agreement effective on the last day of the preceding month.

Borrower shall take all action necessary to preserve and maintain the validity, perfection and first priority of Lender's security interest granted herein in the Collateral.

10. Lender's Right to Sue. From and after the occurrence and continuation of an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Collateral, and any licenses thereunder, and, if Lender shall commence any such suit, Borrower shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and

Borrower shall indemnify and shall, upon demand, promptly reimburse Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 10.

11. Waivers. No course of dealing between Borrower and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Loan Agreement or any other Financing Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

12. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction. If any provision hereof shall render an otherwise valid Trademark invalid or ineffective, then such provision shall be void ab initio to the extent that the validity or effectiveness of the Trademark is thereby preserved and Borrower shall make suitable other valid arrangements to provide Lender with equivalent protections to that intended hereby.

13. Amendments. This Agreement or any provision thereof may be changed, waived, or terminated only in the manner set forth in Section 5 hereof or in accordance with the Loan Agreement.

14. Remedies. If any Event of Default shall have occurred and be continuing, then Lender shall be entitled to exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, in the Loan Agreement and other Financing Agreements or otherwise available to it, all of the rights and remedies of a secured party under the Uniform Commercial Code in effect in the State of Illinois (the "UCC") whether or not the UCC applies to the affected Collateral, and also may (i) require Borrower, and Borrower hereby agrees that it will upon the request of Lender, forthwith, (A) execute and deliver an assignment, substantially in the form of Exhibit A hereto, of all right, title and interest in and to the Collateral, and (B) take such other action as Lender may request to effectuate the outright assignment of such Collateral or to exercise, register or further perfect and protect its rights and remedies with respect to such assigned Collateral, and (ii) without notice except as specified below, sell the Trademarks and the goodwill of the businesses related thereto or any part thereof in one or more parcels at public or private sale, at any of Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such terms as Lender may deem commercially reasonable. Borrower agrees that at least five (5) days' notice to Borrower of the time and place of any public sale or the time which any private sale is to be made shall constitute reasonable notification. Lender shall not be obligated to make any sale of the Collateral regardless of notice of sale having been given. Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Lender may purchase all or any part of the Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of such purchase price, may setoff the amount of such price against the Obligations. The proceeds realized from the sale of any

Collateral shall be, applied first to the reasonable costs, expenses and attorneys and paralegal fees and expenses incurred by Lender for collection and for acquisition, protection, and sale of the Collateral; second to interest due upon any of the Obligations; and third to the principal of the Obligations. If any deficiency shall arise, Borrower shall remain liable to Lender therefor. The commencement of any action, legal or equitable, or the rendering of any judgment or decree for deficiency shall not affect Lender's security interest in the Collateral until the Obligations are fully paid. Borrower agrees that Lender has no obligation to preserve rights to Collateral against any other parties.

15. Cumulative Remedies; Power of Attorney; Effect on Loan Agreement.

All of Lender's rights and remedies with respect to the Collateral, whether established hereby, by the Loan Agreement, by any other Financing Agreements, or by law shall be cumulative and may be exercised singularly or concurrently. Borrower hereby authorizes Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as Borrower's true and lawful attorney-in-fact, with power, from and after the occurrence and continuation of an Event of Default to (a) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Collateral including, without limitation, if Borrower fails to execute and deliver within three (3) Business Days of Lender's request therefor the assignment substantially in the form of Exhibit A hereto, (b) take any other actions with respect to the Collateral as Lender deems in the best interest of Lender, (c) grant or issue any exclusive or non-exclusive license under the Collateral to anyone, or (d) assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until all Obligations shall have been paid in full and the Loan Agreement and the Financing Agreements have been terminated. Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Loan Agreement and the other Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies.

16. Notice. Any notice, approval, consent or other communication to any party hereunder shall be in the form and manner, and to the addresses as set forth in the Loan Agreement.

17. Continuing Security Interest; Transfer of Notes. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full of the Obligations and termination of the Loan Agreement and the Financing Agreements, (ii) be binding upon Borrower its successors and assigns, and (iii) inure, together with the rights and remedies of Lender hereunder, to the benefit of Lender, and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii) and subject to the provisions of the Loan Agreement, Lender may, assign or otherwise transfer any of its interests in the Loan Agreement held by it to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to Lender herein or otherwise.

18. Authority of Lender. Lender shall have and be entitled to exercise all powers hereunder which are specifically delegated to Lender by the terms hereof, together with such powers as are reasonably incident thereto. Lender may perform any of its duties hereunder or in connection with the Collateral by or through agents or employees and shall be entitled to retain counsel and to act in reliance upon the advice of counsel concerning all such matters. Lender and its directors, officers, employees, attorneys and agents shall be entitled to rely on any communication, instrument or document believed by it or them to be genuine and correct and to have been signed or sent by the proper person or persons. Borrower agrees to indemnify and hold harmless Lender and any other person from and against any and all costs, expenses (including reasonable fees and expenses of attorneys and paralegals (including charges of inside counsel)), claims or liability incurred by Lender or such person hereunder, unless such claim or liability shall be due to willful misconduct or gross negligence on the part of Lender or such person.

19. Waiver. To the fullest extent it may lawfully so agree, Borrower agrees that it will not at any time insist upon, claim, plead, or take any benefit or advantage of any appraisal, valuation, stay, extension, moratorium, redemption or similar law now or hereafter in force in order to prevent, delay, or hinder the enforcement hereof or the absolute sale of any part of the Collateral. Borrower for itself and all who claim through it, so far as it or they now or hereafter lawfully may do so, hereby waives the benefit of all such laws, and all right to have the Collateral marshalled upon any foreclosure hereof, and agrees that any court having jurisdiction to foreclose this Agreement may order the sale of the Collateral as an entirety. Without limiting the generality of the foregoing, Borrower hereby: (i) authorizes Lender in its sole discretion and without notice to or demand upon Borrower and without otherwise affecting the obligations of Borrower hereunder from time to time to take and hold other collateral (in addition to the Collateral) for payment of the Obligations, or any part thereof, and to exchange, enforce or release such other collateral or any part thereof and to accept and hold any endorsement or guarantee of payment of the Obligations, or any part thereof and to release or substitute any endorser or guarantor or any other person granting security for or in any other way obligated upon any Obligations or any part thereof, and (ii) waives and releases any and all right to require Lender to collect any of the Obligations from any specific item or items of the Collateral or from any other party liable as guarantor or in any other manner in respect of any of the Obligations or from any collateral (other than the Collateral) for any of the Obligations.

20. Interpretation of Agreement. Time is of the essence of each provision of this Agreement of which time is an element. All terms not defined herein shall have the meaning set forth in the UCC, except where the context otherwise requires. To the extent any term or provision of this Agreement conflicts with the Loan Agreement and is not dealt with more specifically herein, the Loan Agreement shall control with respect to such term or provision.

21. Reinstatement. This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by Lender in respect of the Obligations is rescinded or must otherwise be restored or returned by Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Borrower or upon the

appointment of any intervenor or conservator of, or trustee or similar official for, Borrower or any substantial part of its assets, or otherwise, all as though such payments had not been made.

22. Final Expression. This Agreement, together with the Loan Agreement and the other Financing Agreements to which Borrower is a party, is intended by the parties as a final expression of their agreement and is intended as a complete and exclusive statement of the terms and conditions thereof. Acceptance of or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.

23. Survival of Provisions. All representations, warranties and covenants of Borrower contained herein shall survive the execution and delivery of this Agreement, and shall terminate only upon the full and final payment and performance by Borrower of the Obligations and termination of the Loan Agreement and the Financing Agreements.

24. Termination of Agreement.

(a) This Agreement shall terminate upon full and final payment and performance of all the Obligations and termination of the Loan Agreement and the Financing Agreements. At such time, Lender shall, at the request of Borrower, reassign and redeliver to Borrower all of the Collateral hereunder which has not been sold, disposed of, retained or applied by Lender in accordance with the terms hereof. Such reassignment and redelivery shall be without warranty by or recourse to Lender, except as to the absence of any prior assignments by Lender of its interest in the Collateral, and shall be at the expense of Borrower.

(b) Upon Lender's written consent, Borrower may sell or dispose of any Collateral. If consented to by Lender, Lender shall execute and deliver to Borrower a release or releases (including, without limitation, Uniform Commercial Code termination statements and instruments of satisfaction, discharge, or reconveyance) in form reasonably satisfactory to Lender to release the lien of this Agreement with respect to such released Collateral. Such releases shall be without warranty by or recourse to Lender, except as to the absence of any prior assignments by Lender of its interest in the Collateral, and shall be at the expense of Borrower.

25. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same agreement.

26. GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL; WAIVER OF DAMAGES. (a) THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED UNDER THE INTERNAL LAWS (AS OPPOSED TO CONFLICT OF LAWS PROVISIONS) AND DECISIONS OF THE STATE OF ILLINOIS, AND ANY DISPUTE ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN BORROWER AND LENDER IN CONNECTION WITH THIS AGREEMENT, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY OR OTHERWISE, SHALL BE RESOLVED IN

ACCORDANCE WITH THE INTERNAL LAWS (AS OPPOSED TO THE CONFLICTS OF LAWS PROVISIONS) AND DECISIONS OF THE STATE OF ILLINOIS.

(b) EXCEPT AS PROVIDED IN THE NEXT PARAGRAPH, BORROWER AND LENDER AGREE THAT ALL DISPUTES BETWEEN THEM ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED ONLY BY STATE OR FEDERAL COURTS LOCATED IN CHICAGO, ILLINOIS, BUT BORROWER AND LENDER ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF CHICAGO, ILLINOIS. BORROWER WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT CONSIDERING THE DISPUTE INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS.

(c) BORROWER AGREES THAT LENDER SHALL HAVE THE RIGHT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TO PROCEED AGAINST BORROWER OR THE COLLATERAL IN A COURT IN ANY LOCATION REASONABLY SELECTED IN GOOD FAITH TO ENABLE LENDER TO REALIZE ON THE COLLATERAL, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF LENDER. BORROWER AGREES THAT IT WILL NOT ASSERT ANY PERMISSIVE COUNTERCLAIMS IN ANY PROCEEDING BROUGHT BY LENDER TO REALIZE ON THE COLLATERAL, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF LENDER. BORROWER WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH LENDER HAS COMMENCED A PROCEEDING DESCRIBED IN THIS PARAGRAPH INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS.

(d) BORROWER AND LENDER EACH WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT. INSTEAD, ANY DISPUTES RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

(e) BORROWER HEREBY IRREVOCABLY DESIGNATES CT CORPORATION SERVICE AS THE DESIGNEE, APPOINTEE AND AGENT OF BORROWER TO RECEIVE, FOR AND ON BEHALF OF BORROWER, SERVICE OF PROCESS IN SUCH RESPECTIVE JURISDICTIONS IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT. IT IS UNDERSTOOD THAT A COPY OF SUCH PROCESS SERVED ON SUCH AGENT WILL BE PROMPTLY FORWARDED BY MAIL TO BORROWER AT ITS ADDRESS SET FORTH IN THE LOAN

AGREEMENT, BUT THE FAILURE OF BORROWER TO RECEIVE SUCH COPY SHALL NOT AFFECT IN ANY WAY THE SERVICE OF SUCH PROCESS.

(f) NOTHING HEREIN SHALL AFFECT THE RIGHT OF LENDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST BORROWER IN ANY OTHER JURISDICTION.

(g) BORROWER (I) AGREES THAT LENDER SHALL NOT HAVE ANY LIABILITY TO BORROWER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) FOR LOSSES SUFFERED BY BORROWER IN CONNECTION WITH, ARISING OUT OF, OR IN ANY WAY RELATED TO, THE TRANSACTIONS CONTEMPLATED AND THE RELATIONSHIP ESTABLISHED BY THIS AGREEMENT, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION THEREWITH, UNLESS IT IS DETERMINED BY A JUDGMENT OF A COURT THAT IS BINDING ON LENDER (WHICH JUDGMENT SHALL BE FINAL AND NOT SUBJECT TO REVIEW ON APPEAL), THAT SUCH LOSSES WERE THE RESULT OF ACTS OR OMISSIONS ON THE PART OF LENDER, CONSTITUTING GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR KNOWING VIOLATIONS OF LAW AND (II) WAIVES, RELEASES AND AGREES NOT TO SUE UPON ANY CLAIM AGAINST LENDER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE), EXCEPT A CLAIM BASED UPON GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR KNOWING VIOLATIONS OF LAW. WHETHER OR NOT SUCH DAMAGES ARE RELATED TO A CLAIM THAT IS SUBJECT TO THE WAIVER EFFECTED ABOVE AND WHETHER OR NOT SUCH WAIVER IS EFFECTIVE, LENDER SHALL NOT HAVE ANY LIABILITY WITH RESPECT TO ANY CLAIM FOR, ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES SUFFERED BY BORROWER IN CONNECTION WITH, ARISING OUT OF, OR IN ANY WAY RELATED TO THE TRANSACTIONS CONTEMPLATED OR THE RELATIONSHIP ESTABLISHED BY THIS AGREEMENT, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION THEREWITH, UNLESS IT IS DETERMINED BY A JUDGMENT OF A COURT THAT IS BINDING ON LENDER (WHICH JUDGMENT SHALL BE FINAL AND NOT SUBJECT TO REVIEW ON APPEAL), THAT SUCH DAMAGES WERE THE RESULT OF ACTS OR OMISSIONS ON THE PART OF LENDER, CONSTITUTING GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR KNOWING VIOLATIONS OF LAW.


(h) BORROWER WAIVES ALL RIGHTS OF NOTICE AND HEARING OF ANY KIND PRIOR TO THE EXERCISE BY LENDER OF ITS RIGHTS FROM AND AFTER THE OCCURRENCE OF AN EVENT OF DEFAULT TO REPOSSESS THE COLLATERAL WITH JUDICIAL PROCESS OR TO REPLEVY, ATTACH OR LEVY UPON THE COLLATERAL OR OTHER SECURITY FOR THE OBLIGATIONS. BORROWER WAIVES THE POSTING OF ANY BOND OTHERWISE REQUIRED OF LENDER IN CONNECTION WITH ANY JUDICIAL PROCESS OR PROCEEDING TO OBTAIN POSSESSION OF, REPLEVY, ATTACH OR LEVY UPON COLLATERAL OR OTHER SECURITY FOR THE OBLIGATIONS, TO ENFORCE ANY JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF LENDER, OR TO ENFORCE BY SPECIFIC PERFORMANCE, TEMPORARY RESTRAINING ORDER, PRELIMINARY OR PERMANENT INJUNCTION

THIS AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT BETWEEN
BORROWER AND LENDER.

[SIGNATURE PAGE FOLLOWS]

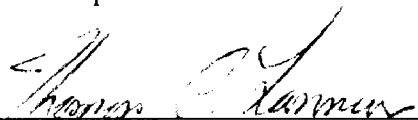
IN WITNESS WHEREOF, Borrower has duly executed and delivered this Agreement as of the day and year first above written.

TEARDROP GOLF COMPANY

By: 
Name: Rudy A. Slucker
Title Pres

By acceptance hereof as of this 20th day of January ___ 2000, Lender agrees to be bound by the provisions hereof.

CONGRESS FINANCIAL CORPORATION
(CENTRAL),
an Illinois corporation

By: 
Name: THOMAS C. LANNON
Title VICE PRESIDENT

[SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT]

EXHIBIT A

FORM OF ASSIGNMENT

ASSIGNMENT OF TRADEMARKS

THIS ASSIGNMENT OF TRADEMARKS ("Assignment") is made as of _____, ____ by and between TEARDROP GOLF COMPANY, a Delaware corporation, having an office at 1080 Lousons Road, Union, New Jersey 07083 ("Assignor"), in favor of CONGRESS FINANCIAL CORPORATION (CENTRAL), having an office at 150 South Wacker Drive, Suite 2200, Chicago, Illinois 60606 ("Assignee").

Recitals

WHEREAS, Assignor and Assignee are parties to that certain Trademark Security Agreement dated as of January _____, 2000 made by Assignor to Assignee (the "Agreement") providing that under certain conditions specified therein Assignor shall execute this Assignment; and

WHEREAS, the aforementioned conditions have been fulfilled;

NOW THEREFORE, Assignor hereby agrees as follows:

1. Assignment of Trademarks. Assignor hereby grants, assigns and conveys to Assignee its entire right, title and interest in and to (a) the trademarks, trade names, trademark registrations and trademark applications listed on Schedule I attached hereto and made a part hereof, and (i) all renewals thereof, (ii) all income, royalties, damages, payments and other proceeds now and hereafter due or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing are sometimes hereinafter referred to, either individually or collectively, as the "Trademarks"), and (b) the goodwill of Assignor's business connected with and symbolized by the Trademarks. The Trademarks and such goodwill are collectively referred to herein as the "Collateral".

2. Representations and Warranties. Assignor represents and warrants that it has the full right and power to make the assignment of the Collateral made hereby and that it has made no previous assignment, transfer, agreement in conflict herewith or constituting a present or future assignment or encumbrance of any or all of the Collateral, except as set forth in the Agreement.

3. Modification. This Assignment cannot be altered, amended or modified in any way, except by a writing signed by the parties hereto.

4. Binding Effect; Governing Law. This Assignment shall be binding upon Assignor and its successors and shall inure to the benefit of Assignee and its successors and assigns. This Assignment shall, except to the extent that federal law or laws of another state apply to the Collateral or any part thereof, be governed by and construed in accordance with the internal (as opposed to the conflict of laws provisions) and decisions laws of the State of Illinois

(Signature Page Follows)

A-2

IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed and delivered as of the date first above written.

TEARDROP GOLF COMPANY

By: _____

Name: _____

Title: _____

SCHEDULE I

<u>Trademarks</u>	Trademark Registration Number or Application <u>Serial Number</u>	Registration or <u>(Filing Date)</u>
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SCHEDULE A

TO

TRADEMARK SECURITY AGREEMENT

Dated as of January ____, 2000

Trademarks Owned By TearDrop Golf Company

<u>TRADE MARK</u>	<u>NUMBER</u>	<u>FILING/ REGISTRATION DATE</u>
Design (of Drop)	75/507,026	(06/23/98)
Roll-Face	75/464,966	(04/09/98)
Scoriae	75/530,540	(08/04/98)
TearDrop & Design	75/519,013	(07/15/98)
2 Good	2,111,348	11/04/97
Formula-X	75/503,675	(06/17/98)
255 Cycle Level	1,431,333	03/03/87
265 Cycle Level	1,431,332	03/03/87
3 Plexxx	1,970,205	04/23/97
Accu-Traksole	1,238,593	05/17/83
Accubar	1,018,459	08/19/76
Accubar Gold	1,208,720	09/14/82
Custom Classic	1,214,204	10/26/82
Design	1,208,361	09/14/82
Design	1,220,979	12/21/82
Design	1,957,885	02/20/96

Eye of the Zebra	1,941,267	12/12/95
Fearless	1,487,630	5/10/88
Featherlite	1,611,375	08/28/90
Flex/Speed	1,885,096	03/21/95
Formula	1,421,253	12/16/86
FX	1,764,634	04/13/93
Gamewarmers	1,980,686	06/18/96
Golden Lady	1,232,885	03/29/83
Golden Ram	75/686,503	(04/19/99)
Golden Ram 492	1,366,847	10/22/85
Golden Tour	2,208,072	12/08/98
LX	1,652,515	07/30/91
Memorial	2,286,912	10/19/99
Milady	1,020,606	09/16/95
Milady	1,140,892	10/18/80
Outsert	2,120,051	12/09/97
Power Lite	1,355,601	08/20/85
Pro Lite	1,353,031	08/06/85
Pro Maker	1,029,463	01/06/76
Pro Set	1,883,701	03/12/95
Pro Soft	1,290,255	08/14/84
Raingamers	1,947,077	01/09/96
Ram	1,246,429	07/26/83
Ram	1,089,318	04/11/78

Ram & Design	1,180,371	12/01/81
Ram Lite	1,230,038	03/08/83
Ram MKV	1,135,205	05/13/80
Recovery	1,255,411	10/25/83
Rhythm	1,871,437	01/03/95
Sand Master	75/638,600	(02/11/99)
Scoring System	1,653,795	08/13/91
Stripe Design	1,918,129	09/12/95
Super Lite	2,117,191	12/02/97
Target Seeking System	1,290,332	08/09/83
Ti-Sert	2,089,331	08/19/97
Tour Grind	1,214,976	11/02/82
Tour Lite	1,320,951	02/19/85
Tourist	2,116,424	11/25/97
Tradition	1,072,802	09/06/77
Tradition	1,136,305	05/27/80
Troubleshooter	1,472,502	01/12/88
Tufleyes	2,193,917	10/06/98
TX	2,118,103	12/02/97
Vibration Gold Matched	1,256,226	11/01/83
Winner's Circle	1,136,330	05/27/80
World Tour	1,968,172	04/16/96
World Tour	1,058,591	02/08/77
X Grip	2,017,853	11/19/96

XS-100	1,017,476	08/05/77
Zebra Design	1,760,027	03/23/93
ZX	1,650,237	07/09/91
Ram & Design	701,287	07/19/60
XS-2000	1,185,950	01/12/82
Zebra	1,002,903	01/28/75
Zebra	1,193,692	04/13/82
635 Cam Sole	1,311,242	12/25/84
835	1,542,715	06/06/89
845	1,543,713	06/13/89
845 (Caps & Visors)	1,767,509	04/27/93
845 Silver Scot & Design	1,731,301	11/10/92
855	1,964,435	03/26/96
855 (Golf Clubs)	1,902,210	06/27/95
855 Silver Shot	1,941,469	12/12/95
855 Silver Shot & Design	1,893,698	05/09/95
Butterfly Design	1,046,908	08/24/96
Cavity-Balanced	1,531,013	03/21/89
Concept 2	1,428,597	02/10/87
D-20	1,208,680	09/14/82
Dynamic Fitting System	1,556,974	09/19/89
E.Q.L.	1,509,379	10/18/88
Easy Out	1,208,679	09/14/82
Emblem	1,207,415	09/07/82

Exculpator	1,694,628	06/16/92
Flow Weighted	1,429,431	02/17/87
G-Force	1,653,168	08/06/91
Golden Scot	1,487,622	05/10/88
Heater	1,753,325	02/16/93
Hot Scot	1,947,706	01/09/96
S-20	1,217,676	11/23/82
Sand Genie	1,244,668	07/05/83
Scrambler	783,968	01/26/65
Silver Scot	1,336,904	05/21/85
Soft Scot	1,506,052	09/27/88
Tommy Armour	542,862	05/29/81
Tommy Armour	1,379,348	01/21/86
Tommy Gun & Design	2,056,184	04/22/97
Tour Step	1,495,236	07/05/88
Tufhorse (Gloves)	399,196	12/22/42
Tufhorse (Bags)	396,807	08/04/42
ZAAP	1,623,124	11/13/90
Spin Master	2,070,668	06/10/97
TearDrop	1,758,499	03/16/93
Armour	2,113,010	11/11/97
Armour & Design	2,111,384	11/04/97
Armour Classic	2,110,001	10/28/97
Only 1	2,180,845	08/11/98

Control The Roll	75/219,303	(12/30/96)
Tear Logo	2,134,594	02/03/98
EVO	75/724,015	(06/07/99)
evo cavity	75/724,016	(06/07/99)
Ram and Design	75/646,249	(03/08/99)
Tommy Armour Script	75/724,017	(06/08/99)
Evo evolving cavity and design	75/800,727	(09/15/99)

Licenses Granted

1. "Armour" trademark licensed to Bali Leathers (manufacturing of golf gloves to be sold to Sam's Club)
2. "Armour" trademark licensed to Dencco, Inc. (for golf accessories)
3. "Armour", "Ram" and "TearDrop" trademarks licensed to Burton Golf, Inc. (manufacturing of golf bags)
4. "Ram": license to ProSelect/Northwestern Golf (one time close-out sale of golf clubs acquired in a bankruptcy sale) is currently being negotiated
5. The Corporation is presently negotiating the license of the names "TearDrop", "Armour" and "Ram" to CoCo USA (apparel manufacturer)