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Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)
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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

**Fifth Third Bank, Indiana
(Central)**

- Individual(s) Association
- General Partnership Limited Partnership
- Corporation-State
- Other _____

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

2. Name and address of receiving party(ies)

Name: **Paws, Incorporated**

Internal

Address: _____

Street Address: **5440 E County Rd. 450 N.**

City: **Albany** State: **IN** Zip: **47320**

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other **Release**

Execution Date: _____

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

A. Trademark Application No.(s)

1276351

B. Trademark Registration No.(s)

See attached Schedule A

Additional number(s) attached Yes No

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

Name: **Barry S. Babok, Esq**

Internal Address: _____

Street Address: **1900 Ave. of the Stars**

Suite 1450

City: **L.A.** State: **CA** Zip: **90067**

6. Total number of applications and registrations involved: **33**

7. Total fee (37 CFR 3.41).....\$ **840.00**

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

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.

Barry S. Babok

Name of Person Signing

Signature

Jan. 4, 2002

Date

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

Mail Documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

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01 FC:481
02 FC:482

TRADEMARK
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SCHEDULE A
to Security Agreement for Patents and Trademarks
and Conditional Assignment

(Trademarks)

United States Trademarks

<u>Ref. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Filing Date</u>	<u>Serial No.</u>	<u>Reg. Date</u>	<u>Reg. No.</u>
PAWS-US-002 004019-000064	ODIE	28	2/7/83	73/412,593	5/1/84	1,276,381
PAWS-US-003 004019-000062	POOKY	28	2/7/83	73/412,611	5/1/84	1,276,382
PAWS-US-004 004019-000063	GARFIELD	3	12/10/82	73/405,419	6/5/84	1,280,402
PAWS-US-005 004019-000058	GARFIELD	5	7/11/88	73/739,291	4/4/89	1,532,618
PAWS-US-006 004019-000059	GARFIELD	9	11/19/84	73/509,408	6/25/85	1,344,099
PAWS-US-008 004019-000060	GARFIELD	14	4/9/82	73/358,980	8/23/83	1,248,884
PAWS-US-009 004019-000061	GARFIELD	14	1/11/88	73/705,202	8/16/88	1,500,463
PAWS-US-010 004019-000054	GARFIELD	15	3/3/83	73/415,716	7/24/84	1,287,067
PAWS-US-011 004019-000055	GARFIELD	16	2/21/79	73/204,425	4/14/81	1,151,014
PAWS-US-012 004019-000056	GARFIELD	16	8/10/81	73/322,871	1/11/83	1,223,408

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<u>Ref. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Filing Date</u>	<u>Serial No.</u>	<u>Reg. Date</u>	<u>Reg. No.</u>
PAWS-US-013 004019-000057	GARFIELD	18	7/1/82	73/372,640	8/16/83	1,248,358
PAWS-US-014 004019-000050	GARFIELD	21	4/9/82	73/358,979	2/7/84	1,266,347
PAWS-US-015 004019-000051	GARFIELD	24	1/10/83	73/408,880	6/26/84	1,283,410
PAWS-US-016 004019-000052	GARFIELD	25	7/1/82	73/372,641	3/13/84	1,269,955
PAWS-US-017 004019-000053	GARFIELD	28	10/5/81	73/331,131	12/21/82	1,221,033
PAWS-US-018 004019-000046	GARFIELD	30	4/27/87	73/657,719	5/17/88	1,488,722
PAWS-US-020 004019-000047	GARFIELD AND FRIENDS	41	1/19/89	73/776,474	9/5/89	1,555,199
PAWS-US-035 004019-000232	PAW PRINT DESIGN	42	2/28/90	74/033,282	9/17/91	1,657,710
PAWS-US-048 004019-000012	GARFIELD	30	7/5/95	74/697,468	6/10/97	2,068,415
PAWS-US-049 004019-000005	GARFIELD	28	12/6/94	74/607,573	5/13/97	2,061,867
PAWS-US-056 004019-001002	ODIE'S STUFF FOR DOGS ONLY	3, 5, 16, 18, 20, 21 28 & 31	7/15/96	75/134,306		
PAWS-US-057 004019-001003	GARFIELD'S HOOSIER HYSTERIA	16, 18, 25, 28, 30 & 41	7/18/96	75/135,944		

<u>Ref. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Filing Date</u>	<u>Serial No.</u>	<u>Reg. Date</u>	<u>Reg. No.</u>
PAWS-US-058 004019-001004	GARFIELD'S FAT CAT KINGDOM	16, 18, 25, 28, 30 & 41	7/18/96	75/135,985		
PAWS-US-059 004019-001044	MISCELLANEOUS DESIGN (BLACK PAW PRINT)	42	1/8/97	75/222,794	8/4/98	2,177,959
PAWS-US-060 004019-001052	GARFIELD STUFF	16 & 35	1/21/97	75/228,910	9/1/98	2,186,737
PAWS-US-062 004019-001170	CLUB GARFIELD OFFICIAL MEMBER BFHD AND DESIGN	41	9/8/97	75/353,464		
PAWS-US-063 004019-001172	GARFIELD'S GOODIES	31	9/8/97	75/353,384		
PAWS-US-064 004019-001171	MISCELLANEOUS DESIGN (GARFIELD WITH ODIE - STANDING)	16, 25, 28 & 41	9/8/97	75/353,459		
PAWS-US-065 004019-001235	PET FORCE	16	8/4/95	75/977,014	9/15/98	2,190,013
PAWS-US-066 004019-001273	GARFIELD'S CHOICE FOR CATS ONLY	18 & 28	7/17/96	75/977,639	10/27/98	2,200,668
PAWS-US-068 004019-001277	GARFIELD (STYLIZED)	42	8/4/98	75/530,455		
PAWS-US-069 004019-001274	U.S. ACRES	18 & 28	7/15/96	75/977,711	11/24/98	2,206,263
PAWS-US-070 004019-001295	GARFIELD'S GOODIES		9/8/97	75/978,233		PENDING

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TRADEMARK

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5-25-99
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To the Honorable Commissioner of Patents

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attached original documents or copy thereof.

1. Name of conveying party(ies):

PAWS, INC.

- Individual(s)
- General Partnership
- Corporation-State
- Other
- Association
- Limited Partnership

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

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

Name: FIFTH THIRD BANK, INDIANA, as Collateral Agent

Internal Address: _____

Street Address: 251 North Illinois Street

City: Indianapolis Suite 1000 State: IN ZIP: 46204

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State Indiana
- Other _____

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

(Designations must be a separate document from Assignment)

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: May 20, 1999

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

A. Trademark Application No.(s)

See attached Schedule A.

B. Trademark registration No.(s)

See attached Schedule A.

Additional numbers attached? Yes No

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

Name: Madalyn S. Kinsey, Esquire

KROGER, GARDIS & REGAS

Internal Address: _____

Street Address: 111 Monument Circle, Suite 900

City: Indianapolis State: IN ZIP: 46229

6. Total number of applications and registrations involved: _____

33

7. Total fee (37 CFR 3.41): _____ \$ 840.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: _____

(Attach duplicate copy of this page if paying by deposit account)

05/28/1999 TTON11 00000146 1276301

01 FC:401 40.00 DP
02 FF:002 800.00 DP

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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.

Madalyn S. Kinsey, Attorney for Fifth Third Bank, Indiana

Madalyn S. Kinsey 5/24/99
Signature Date

Name of Person Signin

Total number of pages comprising cover sheet: 4

OMB No 0651-7011 (exp. 4/94)

Do not detach this portion.

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

TRADEMARK
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RELEASE

WHEREAS, PAWS, INC., an Indiana corporation (hereinafter called the "Borrower") has heretofore executed and delivered to FIFTH THIRD BANK, INDIANA (CENTRAL), formerly known as Fifth Third Bank, Indiana, as Collateral Agent (the "Collateral Agent"), that certain Security Agreement for Patents and Trademarks and Conditional Assignment dated as of May 20, 1999 (the "Security Agreement"), covering the trademarks, patents, and copyrights of the Borrower therein described;

WHEREAS, the Security Agreement was duly recorded by the U.S. Patent and Trademark Office on May 25, 1999, on Reel 001898, Frame 0904; and

WHEREAS, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Collateral Agent does hereby release the Security Agreement.

Dated as of December 21, 2001.

FIFTH THIRD BANK, INDIANA (CENTRAL), formerly known as Fifth Third Bank, Indiana

By: [Signature]
Allen W. Clouse SVP
(Printed name and title)

STATE OF INDIANA)
) SS:
COUNTY OF Marion)

Before me a Notary Public in and for said County and State, personally appeared Allen W. Clouse, a SVP of FIFTH THIRD BANK, INDIANA (CENTRAL), who as such authorized officer, acknowledged the execution of the foregoing Release this 19th day of December, 2001.

Signature: [Signature]

Printed: _____
Notary Public

RITA C. HOLDEN
SEAL
NOTARY PUBLIC, STATE OF INDIANA
MY COMMISSION EXPIRES JANUARY 4, 2009
MARION COUNTY

My Commission Expires: _____

My County of Residence: _____

This document prepared by Madalyn S. Kinsey, Attorney at Law
Return to: Madalyn S. Kinsey, Esquire, KROGER, GARDIS & REGAS, L.L.P., Bank One Center/Circle, 111 Monument Circle, Suite 900, Indianapolis, Indiana 46204-5175, (317) 692-9000.

**SECURITY AGREEMENT FOR PATENTS AND TRADEMARKS
AND CONDITIONAL ASSIGNMENT**

This SECURITY AGREEMENT FOR PATENTS AND TRADEMARKS AND CONDITIONAL ASSIGNMENT (this "Agreement"), dated as of May 22, 1999, among PAWS, INC., an Indiana corporation (herein, together with its successors and assigns, the "Borrower"), and FIFTH THIRD BANK, INDIANA, an Indiana banking corporation (herein, together with its successors and assigns, the "Collateral Agent"), for the benefit of the Banks (as defined in the Credit Agreement referred to below):

The Borrower, the Collateral Agent and the Banks are parties to a Credit Agreement dated as of May 22, 1999 (as modified and supplemented and in effect from time to time, herein called the "Credit Agreement"), providing, subject to the terms and conditions thereof, for a term loan by the Banks to the Borrower in an aggregate principal amount equal to \$13,251,514.40. Except as otherwise expressly provided in this Agreement, terms defined in the Credit Agreement shall have their respective defined meanings when used herein.

To induce the Banks to enter into the Credit Agreement with the Borrower and to make the Loan thereunder, the Borrower has agreed to execute and deliver this Agreement and to grant a security interest in the Collateral (as hereinafter defined) as security for (i) any and all obligations of the Borrower in respect to the Loan under the Credit Agreement, the Notes, the Loan Documents (including this Agreement) and any other note or notes from time to time evidencing such Loan, and (ii) any and all other amounts from time to time payable by the Borrower to the Banks under the Credit Agreement, the Loan Documents (including this Agreement) or the Notes (the obligations described in clauses (i) and (ii) being herein collectively referred to as the "Obligations").

Accordingly, the parties hereto hereby agree as follows:

1. **Definitions.** All capitalized terms used herein shall have the meanings ascribed to them in the Credit Agreement unless expressly stated otherwise herein.

2. **Grant of Security Interest and Conditional Assignment.** As security for the prompt payment and performance of the Obligations, the Borrower hereby grants a security interest in, a general lien upon, and/or a right of set-off to the Collateral Agent for the benefit of the Banks against and conditionally assigns, transfers and conveys to the Collateral Agent for the benefit of the Banks upon the occurrence of an Event of Default and during the continuance thereof the following (whether now owned or hereafter acquired by the Borrower in the United States) (hereafter collectively called the "Collateral"):

(a) (i) all United States trademarks, trade names, service marks and logos (including, without limitation, the trademarks covered by the registrations listed on Schedule A to this Agreement) (the foregoing collectively referred to as the "Trademarks"), together with the goodwill of the business connected with the use of, and symbolized by, the Trademarks; (ii) all United States registrations of the Trademarks (including without limitation, those listed on Schedule A to this Agreement), all United States applications to register the Trademarks, and all renewals of any United States registrations of the Trademarks; (iii) the right to sue for past, present and future infringements of the Trademarks; and (iv) all licenses or other agreements with third parties granting the Borrower any rights with respect to the Trademarks or any other rights relating to trademarks, logos, service marks or trade names, subject to the terms of such licenses and other agreements and any consents that may be required;

(b) (i) all United States patents and patent applications (including, without limitation, those listed on Schedule B to this Agreement) (collectively, the "Patents"); (ii) all reissues, divisions, continuations, continuations-in-part and extensions of the Patents; (iii) all license or agreements with third parties granting the Borrower any rights with respect to the Patents or any other rights relating to patents, inventions, processes, production methods, proprietary information, know-how and trade secrets used or useful in the business of the Borrower, and all payments thereunder, subject to the terms of such licenses and other agreements and any consents that may be required; and (iv) the right to sue for past, present, and future infringements of the Patents;

(c) (i) all United States copyrights and the works which are the subject of such copyrights (collectively, the "Copyrights"); (ii) all United States registrations of and United States applications to register the Copyrights and all renewals of any United States Copyright registrations; (iii) the right to sue for past, present and future infringement of the Copyrights; and (iv) all license or other agreements with third parties granting the Borrower any rights with respect to the Copyrights or any other rights relating to works protected by copyrights, subject to the terms of such licenses and other agreements and any consents that may be required;

(d) all information, customer lists, identification of supplier, data, plans, blueprints, specifications, designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials standards, processing standards, performance standards, catalogs, computer and automatic machinery software and programs, and the like pertaining to operations by the Borrower in, on or about any of its plants or warehouses; all field repair data, sales data and other information relating to sales or service of products now or hereafter manufactured on or about any of its plants; and all accounting information pertaining to operations in, on or about any of its plants and all media in which or on which all of the information or knowledge or data or records relating to its plants and warehouses may be recorded or stored and all computer programs used

for the compilation or printout of such information, knowledge, records or data, and the Collateral Agent shall keep all such information, knowledge, records or data strictly confidential and limit dissemination thereof solely among its officers and their designees, auditors and regulatory authorities (on an "as necessary" basis);

(e) to the extent not included above, all general intangibles (as such terms are defined in the Uniform Commercial Code of the State of Indiana) of the Borrower; and

(f) all proceeds of any and all of the foregoing.

3. **Continuing Liability.** The Borrower hereby expressly agrees that, anything herein to the contrary notwithstanding, it shall remain liable under each license, agreement and obligation included in the Collateral to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof. The Collateral Agent shall have no obligation or liability under any such license, agreement or obligation by reason of or arising out of this Agreement or the receipt by the Collateral Agent of any payment relating to any such license, agreement or obligation pursuant thereto, nor shall the Collateral Agent be required or obligated in any manner to perform or fulfill any of the obligations of the Borrower thereunder or pursuant thereto, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any such license, agreement or obligation, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts to which it may be entitled at any time or times.

4. **Remedies.** If an Event of Default has occurred and is continuing, the Collateral Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement, the Credit Agreement and any other Security Document, all rights and remedies of a secured party under the Uniform Commercial Code or any other applicable law. Without limiting the generality of the foregoing, the Borrower expressly agrees that if an Event of Default has occurred and is continuing, the Collateral Agent, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon the Borrower or any other person (all and each of which demands, advertisements and/or notices are hereby expressly waived), may forthwith take title to the Collateral pursuant to the conditional assignment in Section 2 hereof, collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sales or sales at any exchange, brokers' board or at any of the Collateral Agent's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk, and the Collateral Agent shall apply the net proceeds (after expenses) of any such sale, lease,

assignment or other disposition against the Obligations ratably according to the respective amounts (which in the case of Obligations other than Loans shall mean the amount due on the date of distribution) of such Obligations, the Borrower remaining liable for any deficiency therein. After payment in full of all of the Obligations (including those not yet due and payable at the time of the application referred to above), the Collateral Agent shall remit any surplus net proceeds to the Borrower (or its successors or assigns) or otherwise as a court of competent jurisdiction may direct. The Collateral Agent shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity or redemption in the Borrower, which right or equity is hereby expressly waived and released. The Borrower agrees that the Collateral Agent need not give more than ten (10 days' notice of the time after which a private sale may take place and that such notice is reasonable notification of such matter. The Borrower agrees to execute all documents necessary to effect the sale, lease, assignment grant of options or other disposition of the Collateral by the Collateral Agent pursuant to this Section.

5. **Grant of Rights to Use, Assign or Sublicense Intangibles.** For the purpose of enabling the Collateral Agent to exercise the rights and remedies under Section 4 hereof at such time as the Collateral Agent, without regard to this Section 5 and subject to the terms of all licenses or other agreements included in the Collateral, shall be lawfully entitled to exercise such rights and remedies and for no other purpose, the Borrower hereby grants to the Collateral Agent, in addition to the assignment of the Collateral in Section 2 hereof, an irrevocable right (exercisable without payment of royalty or other compensation of the Borrower) to use, assign or sublicense any of the Collateral, now owned or hereafter acquired by the Borrower, including in such right reasonable access to all media in which any of the Collateral may be recorded or stored and to all computer programs used for the compilation or printout thereof.

6. **Representations and Warranties.** The Borrower warrants and agrees (a) that it has taken and will take all steps necessary to maintain the Collateral to the extent permitted by law and consistent with reasonable business judgment and the Borrower's past practices, including, without limitation, payment of any fees necessary to maintain the Collateral, filing and prosecution of applications to register the Collateral, enforcement of rights to the Collateral, and compliance with the terms of all agreements or licenses relating to the Collateral; (b) that it will at its expense, and at the Collateral Agent's reasonable request, defend the Collateral Agent's and the Borrower's respective interests in the Collateral from any and all claims and demands of any other person; (c) that it will not sell or assign its interest in or grant any material license or sublicense under the Collateral, without the prior written consent of the Collateral Agent except in the ordinary course of business and on terms favorable to the Company; and (d) that it will not grant, create or permit to exist any Permitted Encumbrance upon or security interest in the Collateral in favor of any other person except for Permitted Encumbrances. The Borrower represents and warrants to the Collateral Agent that: (a) the Borrower has full power, authority and legal right and capacity to

incur and perform its obligations hereunder, (b) this Agreement constitutes the legal valid and binding obligation of the Borrower enforceable in accordance with its terms, (c) the making and performance by the Borrower of this Agreement and the grant of the security interest hereunder have been duly authorized by all necessary corporate action, and do not and will not violate the provisions of any applicable law or applicable regulation, the Borrower's certificate or articles of incorporation or by-laws and do not and will not result in a breach of, or constitute a default under, or require any consent (other than consents which have been obtained where are in full force and effect and copies of which have been delivered to the Collateral Agent or which are required in connection with items immaterial to the value of the Collateral) or create any lien, charge or encumbrance under any agreement, instrument or document (other than this Agreement) or the provisions of any order, writ, judgment, injunction, decree, determination or award of any court, government or governmental agency or instrumentality, applicable to the Borrower or to any of the assets of the Borrower to which the Borrower is a party or by which the Borrower or any of the assets of the Borrower may be bound or affected, and (d) this Agreement grants to the Collateral Agent a first priority lien upon and first priority security interest in the Collateral subject to no lien or security interest except as expressly permitted under Section 7(b) of the Credit Agreement.

7. **Notices.** All notices or other communications hereunder shall be given in the manner and to the addresses determined under Section 15 of the Credit Agreement.

8. **Severability.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction;

9. **No Waiver; Cumulative Remedies.** The Collateral Agent shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing signed by the Collateral Agent, and then only to the extent therein set forth. A waiver by the Collateral Agent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Collateral Agent would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising on the part of the Collateral Agent any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law.

10. **Waivers; Amendments.** None of the terms and provisions of this Agreement may be waived, altered, modified or amended except by an instrument in writing executed by the parties hereto.

11. **Limitations by Law.** All rights, remedies and powers provided by Sections 4 and 5 hereof may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law, and all the provisions of Sections 4 and 5 hereof are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provision of any applicable law.

12. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Borrower and the Collateral Agent and their respective successors and assigns, and nothing herein or in the Credit Agreement or any other Security Document is intended or shall be construed to give any other person any right, remedy or claim under, to or in respect of this Agreement, the Credit Agreement or any other Security Document.

13. **Termination and Reassignment.** The Collateral Agent agrees that upon the termination or expiration of the Credit Agreement and the Security Documents and the payment in full of all the Obligations, the Collateral Agent will upon the request and at the expense of the Borrower execute all such documents as may be reasonably requested by the Borrower to release the security interests created hereby and to reassign (without representation or warranty) to the Borrower the Collateral.

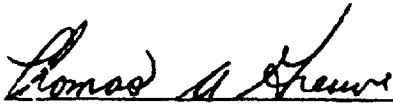
14. **Applicable Law.** This Agreement shall be governed by, and be construed and interpreted in accordance with the laws of the State of Indiana without giving effect to principles of conflicts of law.

15. **Jury Trial Waiver.** THE BORROWER AND THE COLLATERAL AGENT EACH WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, BETWEEN THE COLLATERAL AGENT AND THE BORROWER ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO. THIS


WAIVER SHALL NOT IN ANYWAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY THE COLLATERAL AGENT'S ABILITY TO PURSUE REMEDIES PURSUANT TO ANY CONFESSION OF JUDGMENT OR COGNOVIT PROVISION CONTAINED IN ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT BETWEEN THE COLLATERAL AGENT AND THE BORROWER.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first set forth above.

PAWS, INC., an Indiana corporation

By: 
Thomas A. Greiwe, Treasurer

FIFTH THIRD BANK, INDIANA, an
Indiana banking corporation, as Collateral
Agent

By: 
Surj M. Gehill, Assistant Vice
President and Senior Relationship
Manager

STATE OF INDIANA)
)SS:
COUNTY OF DELAWARE)

Before me, a Notary Public in and for the above County and State, personally appeared Thomas A. Greiwe, the Treasurer of PAWS, INC., an Indiana corporation, who as such officer acknowledged the execution of the foregoing Security Agreement for Patents and Trademarks and Conditional Assignment for and on behalf of the corporation this 20 day of May, 1999.

Signature: Robert C. Beasley

Printed: ROBERT C. BEASLEY
Notary Public

My Commission Expires: FEB. 5, 2000

My County of Residence: DELAWARE

STATE OF INDIANA)
)SS:
COUNTY OF DELAWARE)

Before me, a Notary Public in and for the above County and State, personally appeared Surj M. Gohill, an Assistant Vice President and Relationship Manager of FIFTH THIRD BANK, INDIANA, an Indiana banking corporation, who as such officer acknowledged the execution of the foregoing Security Agreement for Patents and Trademarks and Conditional Assignment for and on behalf of the corporation this 20 day of May, 1999.

Signature: Robert C. Beasley

Printed: ROBERT C. BEASLEY
Notary Public

My Commission Expires: FEB. 5, 2000

My County of Residence: DELAWARE

SCHEDULE A
to Security Agreement for Patents and Trademarks
and Conditional Assignment

(Trademarks)

United States Trademarks

<u>Ref. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Filing Date</u>	<u>Serial No.</u>	<u>Reg. Date</u>	<u>Reg. No.</u>
PAWS-US-002 004019-000064	ODIE	28	2/7/83	73/412,593	5/1/84	1,276,381
PAWS-US-003 004019-000062	POOKY	28	2/7/83	73/412,611	5/1/84	1,276,382
PAWS-US-004 004019-000063	GARFIELD	3	12/10/82	73/405,419	6/5/84	1,280,402
PAWS-US-005 004019-000058	GARFIELD	5	7/11/88	73/739,291	4/4/89	1,532,618
PAWS-US-006 004019-000059	GARFIELD	9	11/19/84	73/509,408	6/25/85	1,344,099
PAWS-US-008 004019-000060	GARFIELD	14	4/9/82	73/358,980	8/23/83	1,248,884
PAWS-US-009 004019-000061	GARFIELD	14	1/11/88	73/705,202	8/16/88	1,500,463
PAWS-US-010 004019-000054	GARFIELD	15	3/3/83	73/415,716	7/24/84	1,287,067
PAWS-US-011 004019-000055	GARFIELD	16	2/21/79	73/204,425	4/14/81	1,151,014
PAWS-US-012 004019-000056	GARFIELD	16	8/10/81	73/322,871	1/11/83	1,223,408

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TRADEMARK
REEL: 001898 FRAME: 0916

TRADEMARK
REEL: 002428 FRAME: 0619

<u>Ref. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Filing Date</u>	<u>Serial No.</u>	<u>Reg. Date</u>	<u>Reg. No.</u>
PAWS-US-013 004019-000057	GARFIELD	18	7/1/82	73/372,640	8/16/83	1,248,358
PAWS-US-014 004019-000050	GARFIELD	21	4/9/82	73/358,979	2/7/84	1,266,347
PAWS-US-015 004019-000051	GARFIELD	24	1/10/83	73/408,880	6/26/84	1,283,410
PAWS-US-016 004019-000052	GARFIELD	25	7/1/82	73/372,641	3/13/84	1,269,955
PAWS-US-017 004019-000053	GARFIELD	28	10/5/81	73/331,131	12/21/82	1,221,033
PAWS-US-018 004019-000046	GARFIELD	30	4/27/87	73/657,719	5/17/88	1,488,722
PAWS-US-020 004019-000047	GARFIELD AND FRIENDS	41	1/19/89	73/776,474	9/5/89	1,555,199
PAWS-US-035 004019-000232	PAW PRINT DESIGN	42	2/28/90	74/033,282	9/17/91	1,657,710
PAWS-US-048 004019-000012	GARFIELD	30	7/5/95	74/697,468	6/10/97	2,068,415
PAWS-US-049 004019-000005	GARFIELD	28	12/6/94	74/607,573	5/13/97	2,061,867
PAWS-US-056 004019-001002	ODIE'S STUFF FOR DOGS ONLY	3, 5, 16, 18, 20, 21 28 & 31	7/15/96	75/134,306		
PAWS-US-057 004019-001003	GARFIELD'S HOOSIER HYSTERIA	16, 18, 25, 28, 30 & 41	7/18/96	75/135,944		

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TRADEMARK
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REEL: 002428 FRAME: 0620

<u>Ref. No.</u>	<u>Mark</u>	<u>Class</u>	<u>Filing Date</u>	<u>Serial No.</u>	<u>Reg. Date</u>	<u>Reg. No.</u>
PAWS-US-058 004019-001004	GARFIELD'S FAT CAT KINGDOM	16, 18, 25, 28, 30 & 41	7/18/96	75/135,985		
PAWS-US-059 004019-001044	MISCELLANEOUS DESIGN (BLACK PAW PRINT)	42	1/8/97	75/222,794	8/4/98	2,177,959
PAWS-US-060 004019-001052	GARFIELD STUFF	16 & 35	1/21/97	75/228,910	9/1/98	2,186,737
PAWS-US-062 004019-001170	CLUB GARFIELD OFFICIAL MEMBER BF4D AND DESIGN	41	9/8/97	75/353,464		
PAWS-US-063 004019-001172	GARFIELD'S GOODIES	31	9/8/97	75/353,384		
PAWS-US-064 004019-001171	MISCELLANEOUS DESIGN (GARFIELD WITH ODIE - STANDING)	16, 25, 28 & 41	9/8/97	75/353,459		
PAWS-US-065 004019-001235	PET FORCE	16	8/4/95	75/977,014	9/15/98	2,190,013
PAWS-US-066 004019-001273	GARFIELD'S CHOICE FOR CATS ONLY	18 & 28	7/17/96	75/977,639	10/27/98	2,200,668
PAWS-US-068 004019-001277	GARFIELD (STYLIZED)	42	8/4/98	75/530,455		
PAWS-US-069 004019-001274	U.S. ACRES	18 & 28	7/15/96	75/977,711	11/24/98	2,206,263
PAWS-US-070 004019-001295	GARFIELD'S GOODIES		9/8/97	75/978,233		PENDING

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TRADEMARK
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REEL: 002428 FRAME: 0621

**SCHEDULE B
to Security Agreement for Patents and Trademarks
and Conditional Assignment**

(Patents)

United States Patents

Title

1. None

**United States
Patent Applications**

Title

1. None

Active Invention Files

Title

1. None

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RECORDED: 05/25/1999

RECORDED: 01/23/2002

**TRADEMARK
REEL: 001898 FRAME: 0919**

**TRADEMARK
REEL: 002428 FRAME: 0622**