

07-02-2002



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

Tab settings

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

7-2-02

1. Name of conveying party(ies):

Conair-Delaware, Inc. One Conair Drive Emsworth, PA 15202

7-2-02

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

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other Notice of Security Interest in Trademarks

Execution Date: as of June 28, 2002

2. Name and address of receiving party(ies)

Name: Fleet National Bank Internal Address: Attn: Douglas E. Scala, SVP

Street Address: 111 Westminster Street City: Providence State: RI Zip: 02903

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Other national banking association

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

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

A. Trademark Application No.(s) 549,155; 876,521; 1,216,486; 1,228,922;

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

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

Name: Hinckley, Allen & Snyder LLP

Internal Address: ATTN: Alyssa V. Boss, Esq.

Street Address: 1500 Fleet Center

City: Providence State: RI Zip: 02903

6. Total number of applications and registrations involved:

13

7. Total fee (37 CFR 3.41) \$ 340.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

07/03/2002 DBYRNE 00000002 549155

Sandra E. Holloway, Esq. Name of Person Signing

July 1, 2002 Date

Signature

28

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

Recordation Form Cover Sheet - Trademarks Only
(Form PTO-1594)

Continuation of Item #4

Application Numbers or Registration Numbers:

1,233,284

1,254,344

1,261,963

822,790

853,162

864,120

864,212

1,217,327

1,217,328

EXHIBIT 4SPECIAL POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, THAT _____, a _____ corporation with its principal office at _____ (hereinafter called "**Assignor**") hereby appoints and constitutes Fleet National Bank, as Agent for the Banks under the Loan Agreement (as those terms are defined below) (hereinafter called "**Assignee**"), its true and lawful attorney, with full power and authority to perform the following acts on behalf of Assignor:

1. For the purpose of assigning, selling, licensing or otherwise disposing of all right, title and interest of Assignor in and to any letters patent of the United States and all registrations, recordings, reissues, continuations, continuations-in-part and extensions thereof, and all pending applications therefor, and for the purpose of the recording, registering and filing of, or accomplishing any other formality with respect to the foregoing, to execute and deliver any and all agreements, documents, instruments of assignment or other papers necessary or advisable to effect such purpose;

2. For the purpose of assigning, selling, licensing or otherwise disposing of all right, title and interest of Assignor in and to any trademarks, trade names, trade styles and service marks, and all registrations, related goodwill and renewals thereof, and all pending applications therefor, and for the purpose of the recording, registering and filing of, or accomplishing any other formality with respect to the foregoing, to execute and deliver any and all agreements, documents, instruments of assignment or other papers necessary or advisable to effect such purpose;

3. For the purpose of assigning, selling, licensing or otherwise disposing of all right, title and interest of Assignor in and to any copyrights, and all registrations, recordings, and renewals thereof, and all pending applications therefor, and for the purpose of the recording, registering and filing of, or accomplishing any other formality with respect to the foregoing, to execute and deliver any and all agreements, documents, instruments of assignment or other papers necessary or advisable to effect such purpose; and

4. To execute any and all documents, statements, certificates or other papers necessary or advisable in order to obtain the purposes described above as Assignee may in its sole discretion determine.

This power of attorney is irrevocable, coupled with an interest, with full power of substitution.

This power of attorney is made pursuant to a Trademark, Patent and Copyright Security Agreement, dated the date hereof, among Assignor and Assignee and may be exercised and takes effect solely for the purposes of paragraphs 3(d) and (e) thereof and is subject to the conditions thereof including that this power of attorney shall be effective only upon the occurrence and during the continuance of an Event of Default (as defined in the Loan Agreement, and as such term is defined in such Trademark, Patent and Copyright Security Agreement) and may not be

revoked until the payment in full of all "Obligations" as defined in such Trademark, Patent and Copyright Security Agreement and the termination of the Loan Agreement (as defined in such Trademark, Patent and Copyright Security Agreement).

Dated: June ____, 2002

[SEAL]

[GRANTOR]

By: _____
Name:
Title:

STATE OF _____)

COUNTY OF _____)

On this ____ day of June 2002, before me appeared _____ to me personally known, who, being by me duly sworn, did depose and say that he is the _____ of _____, the corporation named in and which executed the foregoing instruction in writing; that he knows the corporate seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation; and said _____ acknowledged said instrument to be the free and authorized act and deed of said corporation.

Given under my hand and seal at _____, this ____ day of June, 2002.

Notary Public
My commission expires:

NOTICE OF SECURITY INTEREST
(IN U.S. TRADEMARKS)

WHEREAS, **Conair-Delaware, Inc.**, a Delaware corporation (herein referred to as "**Assignor**"), has adopted, used and is using the trademarks listed on the annexed Exhibit A, which trademarks are registered in the United States Patent and Trademark Office, or are applications pending in the United States Patent and Trademark Office (the "**Trademarks**");

WHEREAS, Assignor is obligated to Fleet National Bank, as Agent for the Banks under the Loan Agreement (as those terms are defined in the "**Agreement**" referred to below (herein referred to as "**Assignee**"), and has entered into a Trademark, Patent and Copyright Security Agreement dated the date hereof, attached hereto as Exhibit B, (the "**Agreement**") with Assignee; and

WHEREAS, pursuant to the Agreement, Assignor has granted to Assignee a security interest in, and mortgage on, all right, title and interest of Assignor in and to the Trademarks, together with the goodwill of the business symbolized by the Trademarks and the applications and registrations thereof, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof (the "**Collateral**"), to secure the payment, performance and observance of the Obligations, as defined in the Agreement (or any guaranty thereof), now or hereafter owing by the Assignor.

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Assignor does hereby grant to Assignee a security interest in, and mortgage on, the Collateral to secure the prompt payment, performance and observance of the Obligations (or any guaranty thereof) now or hereafter owing by the Assignor.


Assignor does hereby further acknowledge and affirm that the rights and remedies of Assignee with respect to the grant of security interest in and mortgage on the Collateral made and granted hereby are more fully set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Assignee's address is Attn: Douglas E. Scala, Senior Vice President, Fleet National Bank, 111 Westminster Street, Providence, Rhode Island 02903.

IN WITNESS WHEREOF, Assignor has caused this Notice of Security Interest to be duly executed by its officer thereunto duly authorized as of the 28th day of June, 2002.

[SEAL]

CONAIR-DELAWARE, INC.

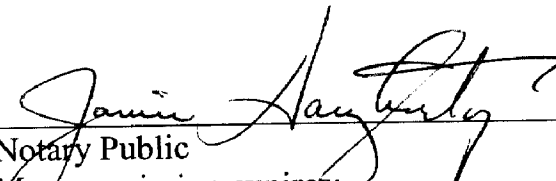
By: 
Eugene J. O'Sullivan
Vice President and Treasurer

STATE OF PENNSYLVANIA

COUNTY OF ALLEGHENY

On this 28th day of June 2002, before me appeared Eugene J. O'Sullivan to me personally known, who, being by me duly sworn, did depose and say that he is the Vice President and Treasurer of Conair-Delaware, Inc., the corporation named in and which executed the foregoing instruction in writing; that he knows the corporate seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation; and said Eugene J. O'Sullivan acknowledged said instrument to be the free and authorized act and deed of said corporation.

Given under my hand and seal at Emsworth, PA this 28th day of June, 2002.


Notary Public
My commission expires:

Notarial Seal
Jamie Daugherty, Notary Public
Emsworth Boro, Allegheny County
My Commission Expires Mar. 25, 2004
Member, Pennsylvania Association of Notaries

EXHIBIT A**TRADEMARKS**

<u>BI Ref.</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Mark</u>	<u>Renewal</u>	<u>Application Number</u>
	549,155	10-9-51	Thermolator		
89174/62039	876,521	09-9-69	Autocolor	09-09-09	
89176/62293	1,216,486	11-16-82	Conair (Class 9)	11-16-02	298,553
89177/62294	1,228,922	03-01-83	Conair (Class 11)	03-01-03	298,554
89178/62295	1,233,284	04-05-83	Conair (Class 7)	04-05-03	243,696
89179/61932	1,254,344	10-18-83	Conair (Class 7)	10-18-03	243,696
89180/61934	1,261,963	12-20-83	Conair (Class 39) - Service Mark	12-20-03	364,592
88288/58516	822,790	01-24-67	Cat-A-Puller and Design (Int'l Class 7)	01-24-07	247,626
88289/58513	853,162	08-23-68	Cat-A-Puller (Int'l Class 7)	07-23-08	
88290/58512	864,210	01-28-69	Cat-A-Cutter (Int'l Class 7)	01-28-09	
88291/58515	864,212	01-28-69	Cat-A-Cutter and Design (Int'l Class 7)	01-28-09	
89170/62761	1,217,327	11-23-82	Wor-Tex Corporation State of Texas Logo	11-23-02	344422
89171/62760	1,217,328	11-23-82	Wor-Tex (Class 7)	11-23-02	344423

EXHIBIT B

TRADEMARK, PATENT AND COPYRIGHT SECURITY AGREEMENT

TRADEMARK, PATENT AND COPYRIGHT SECURITY AGREEMENT made this 28th day of June, 2002 between **Conair-Delaware, Inc.**, a Delaware corporation having a principal place of business at One Conair Drive, Emsworth, Pennsylvania 15202 (the "**Grantor**"), and **Fleet National Bank**, a national banking association having an office at 111 Westminster Street, Providence, Rhode Island 02903, as agent for the Banks party to the Loan Agreement referred to below (the "**Agent**").

WHEREAS, on the date hereof, the Grantor is the owner of the United States Trademarks (as hereinafter defined) described on Schedule A annexed hereto and made a part hereof;

WHEREAS, on the date hereof, the Grantor is the owner and holder of the United States Patents (as hereinafter defined) listed on Schedule B hereto;

WHEREAS, on the date hereof, the Grantor is the owner of the United States Copyrights (as hereinafter defined) listed on Schedule C hereto;

WHEREAS, as a condition to the making of any loans or advances to the Grantor and certain other subsidiaries of **The Conair Group, Inc.** (the "**Borrowing Subsidiaries**") pursuant to the Loan Agreement dated as of June 28, 2002, (as amended, modified, supplemented or restated from time to time, the "**Loan Agreement**") between the Grantor, The Conair Group, Inc., the other Borrowing Subsidiaries, the financial institutions party thereto (the "**Banks**"), and the Agent, the Agent and the Banks have required the execution and delivery of this Agreement by the Grantor; capitalized terms used herein and not otherwise defined shall have the meanings specified in the Loan Agreement;

WHEREAS, the security interest granted by the Grantor hereunder secures the prompt and complete payment and performance when due (whether at stated maturity, upon acceleration or otherwise) of all "**Obligations**" (as defined below);

NOW, THEREFORE, IT IS AGREED, that, for and in consideration of the loans, advances and other financial accommodations to be made under the Loan Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and as collateral security for the full and prompt payment and performance of any and all indebtedness and liabilities whatsoever of the Grantor and the Borrowing Subsidiaries pursuant to the Loan Agreement, whether direct, indirect, absolute or contingent, due or to become due and whether now existing or hereafter arising and howsoever evidenced or acquired, including, without limitation, all indebtedness and liabilities evidenced by promissory notes and guaranties, and including the Loan Agreement, the Credit Notes, the Term Notes, and the Letter of Credit Agreements (all of the foregoing referred to as the "**Obligations**"), the Grantor does hereby mortgage and pledge to the Agent for the benefit of the Banks, and grant to the Agent for the benefit of the Banks a security interest in, all of its right, title and interest in and to, (i) each of the United States Trademarks (as hereinafter defined) together with the goodwill of the business symbolized by each of the Trademarks, all customer lists and other records of the Grantor relating to the distribution of products bearing the Trademarks and each of the United States

Trademark Registrations described on Schedule A; (ii) each of the United States Patents (as hereinafter defined) and each of the Patents listed on Schedule B hereto; (iii) each of the Copyrights (as hereinafter defined), and each of the registrations listed on Schedule C hereto; (iv) any United States Trademarks, and the goodwill of the business symbolized by each of the Trademarks, all customer lists and other records of the Grantor relating to the distribution of products bearing the Trademarks and any United States Trademark Registrations, any Patents, and any Copyrights acquired by the Grantor after the date hereof; (v) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof; (vi) all income, royalties, damages and other payments now and hereafter due and/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); (vii) all license agreements with another person in connection with any of the Trademarks, Patents or Copyrights or such other person's names or marks, patents or copyrights whether the Grantor is a licensor or licensee under any such license agreement listed on Schedule D hereto, subject, in each case, to the terms of such license agreements, including, without limitation, terms requiring consent to a grant of a security interest, and any right to prepare for sale, sell and advertise for sale, all inventory now or hereafter owned by the Grantor and now or hereafter covered by such licenses (the "**Licenses**"); and (viii) all rights corresponding thereto and all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark, service mark, trade name, trade dress or other indicia of trade origin (all of the foregoing, the "**Collateral**").

1. Terms defined in the Loan Agreement and not otherwise defined herein shall have the meanings set forth in the Loan Agreement. As used in this Agreement, unless the context otherwise requires:

"Copyrights" shall mean (i) all original works of authorship fixed in any tangible medium of expression and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Copyright Office, all whether now owned or hereafter acquired by the Grantor, including, but not limited to, those described on Schedule C annexed hereto and made a part hereof, and (ii) all extensions or renewals thereof.

"Patents" shall mean (i) all letters patent of the United States and all pending United States patent applications, all right, title and interest therein and thereto, and all recordations thereof, including, without limitation, applications, recordations in the United States Patent and Trademark Office, all whether now owned or hereafter acquired by the Grantor, including, but not limited to, those described in Schedule B annexed hereto and made a part hereof, and (ii) all reissues, continuations, continuations-in-part or extensions thereof and all of the Grantor's rights as licensors thereof.

"Trademarks" shall mean (i) all trademarks, trade names, trade styles, service marks, trade dress or other indicia of trade origin, prints and labels on which said trademarks, trade names, trade styles, and service marks and trade dress have appeared, appears or which the Grantor has an intent to use, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all right, title and interest therein, and thereto, and all registrations

and recordings thereof, including, without limitation, applications, registrations, and recordings in the United States Patent and Trademark Office, any state thereof, all whether now owned or hereafter acquired by the Grantor, including but not limited to, those United States Registrations described in Schedule A annexed hereto and made a part hereof, together with the goodwill of the business symbolized by and relating thereto, (ii) all renewals thereof and (iii) all licenses thereof granting licensed rights to third parties to the extent permissible under each license.

2. The Grantor hereby represents, warrants, covenants and agrees as follows:

(a) **Trademarks:**

(1) The Grantor is the sole, legal and beneficial owner of the entire right, title and interest in and to the Trademarks set forth in Schedule A hereto as being the property of the Grantor (the "**Trademark Collateral**"), free and clear of any Lien except for the security interest created by this Agreement or any other Loan Document and Liens permitted by the Loan Agreement. No security agreement, effective financing statement or other instrument similar in effect covering all or any part of the Trademark Collateral, that has not been terminated or released, is on file in any recording office (including, without limitation, the United States Patent and Trademark Office), except such as may have been filed in favor of the Agent relating to this Agreement or any of the other Loan Documents, and the Grantor has not consented to the filing of any document or notice similar in effect, that has not been released or terminated, with the United States Patent and Trademark Office covering all or any part of the Trademark Collateral other than as contemplated hereby and thereby.

(2) Set forth in Schedule A is a complete and accurate list of the Trademarks owned by the Grantor. The Grantor has made all necessary filings and recordations to protect and maintain its interest in the Trademarks, including, without limitation, all necessary filings and recordings in the United States Patent and Trademark Office. Set forth in Schedule D is a complete and accurate list of the Licenses owned by the Grantor in which the Grantor is a licensor or a licensee.

(3) Each Trademark registration and application for registration of the Grantor set forth in Schedule A is subsisting and has not been adjudged invalid, unregistrable or unenforceable, in whole or in part, and to the best of the Grantor's knowledge is valid, registrable and enforceable. Each License of the Grantor identified in Schedule D is validly subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the best of the Grantor's knowledge is valid and enforceable in accordance with the terms thereof. The Grantor has notified the Agent in writing of all uses of any item of Trademark Collateral of which the Grantor is aware which could reasonably be expected to lead to such item becoming invalid or unenforceable, including unauthorized uses by third parties and uses which were not supported by the goodwill of the business connected with such Trademark Collateral, other than any such uses that would not have a material adverse effect upon the Grantor's business, prospects or financial condition (a "**Material Adverse Effect**").

(4) The Grantor has not made a previous assignment, sale, transfer or agreement constituting a present or future assignment, sale, transfer or encumbrance of any of the

Trademark Collateral that has not been terminated or released. The Grantor has not granted any license (other than those listed on Schedule D hereto), release, covenant not to sue, or non-assertion assurance to any person with respect to any part of the Trademark Collateral.

(5) No consent of any other person and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or other third party in the United States is required either (i) for the grant by the Grantor of the security interest granted hereto or for the execution, delivery or performance of this Agreement by the Grantor, (ii) for the perfection or maintenance of the security interest created hereby (including the first priority nature of such security interest), except for the filing of financing and continuation statements under the Uniform Commercial Code and filings with the United States Patent and Trademark Office or (iii) for the exercise by the Agent of its rights provided for in this Agreement or the remedies in respect of the Trademark Collateral pursuant to this Agreement.

(6) Except for those pending opposition and cancellation proceedings listed on Schedule E hereto and the Licenses listed on Schedule D hereto, the Grantor has no knowledge of the existence of any right or any claim of any ownership interest or right to use that is likely to be made with respect to any item of Trademark Collateral contained on Schedule A.

(7) No claim has been made and is continuing or threatened that the use by the Grantor of any item of Trademark Collateral is invalid or unenforceable or that the use by the Grantor of any Trademark Collateral does or may violate the rights of any person, other than as listed on Schedule E hereto. To the best of the Grantor's knowledge, there is currently no material infringement or unauthorized use of any item of Trademark Collateral contained on Schedule A.

(8) The Grantor uses adequate standards of quality in all material respects in the manufacture, distribution and sale of all products sold and provision of all services provided under or in connection with any item of Trademark Collateral contained on Schedule A and has taken all action necessary to ensure that all licensed users of any item of Trademark Collateral contained on Schedule A use such consistent standards of quality.

(9) The Grantor has no knowledge of the existence of any trademark or license agreement held or claimed by any other person that would preclude the Grantor from distributing, marketing, selling or providing any product or service currently distributed, marketed, sold or provided by it, as the case may be, under or in connection with any of the Trademark Collateral in the United States (except, in each case, to the extent that the Grantor has granted an exclusive license to another person) or that would interfere with the business of the Grantor as currently carried on under any of the Trademark Collateral in the United States.

(10) The Grantor will execute and take steps from time to time to record in the United States Patent and Trademark Office and the United States Copyright Office (so as to grant a security interest to the Agent in the Collateral) the Notices of Security Interest, attached hereto as Exhibits 1, 2 and 3. The Grantor hereby authorizes the Agent to execute and file one or more financing statements (and similar documents) or copies thereof, or of this Agreement with respect to the Collateral signed only by the Agent. At any time that the Agent may reasonably

request, the Grantor shall cooperate with the Agent by executing all other or further documents necessary to effect, at that time, a grant of a security interest in the Patents, Trademarks and related goodwill, and Copyrights, as secured hereunder.

(11) Consistent with the terms and conditions of the Loan Agreement, and except to the extent that the Agent, upon prior written notice of the Grantor, shall consent in writing, the Grantor (either itself or through licensees) will continue to use each Trademark on Schedule A on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain each Trademark (so long as each shall remain such) in full force free from any claim of abandonment for nonuse, and the Grantor will not (and will not knowingly permit any licensee thereof to) do any act or knowingly omit to do any act whereby any Trademark may become invalidated)

(b) **Patents:**

(1) The Grantor has the sole and full ownership of the entire right, title and interest to each of its Patents shown on Schedule B, which Patents are valid and subsisting and in full force and effect. To the best of the Grantor's knowledge, none of the Patents has been abandoned, dedicated to the public or rendered invalid, and, except to the extent that the Agent, upon prior written notice by the Grantor, shall consent in writing, the Grantor will not do any act, or omit to any do act, whereby any Patent may become abandoned or dedicated to the public and shall notify the Agent immediately if it knows of any reason or has reason to know that any application of letters Patent may become abandoned or dedicated to the public.

(2) Consistent with the exercise of its best business judgment, the Grantor will use its best efforts to prosecute to issuance the applications listed on Schedule B.

(3) There has been no decision adverse to the Grantor's claim of ownership of the Patents, and there is no proceeding involving such claim threatened or pending in the United States Patent and Trademark Office of any similar office of agency of the United States of America or any state thereof, or any court.

(4) The Grantor shall promptly notify the Agent of the institution of, and any adverse determination in, any proceeding in the United States Patent and Trademark Office or any similar office or agency of the United States of America or any state thereof, or any court, regarding the Grantor's claim of ownership or validity of any of the Patents.

(5) The Grantor is not aware of any claim that would interfere with the right to the exclusive use of or practice of the inventions covered by the Patents, subject only to the Licenses and to those Liens referred to in and permitted by the Loan Agreement.

(c) **Copyrights:**

(1) The Grantor is the sole and exclusive owner of the entire right, title and interest to all copyright registrations now owned by Grantor whether shown on Schedule C or not and said copyright registrations are now valid, subsisting and in full, force and effect.

(2) There has been no decision adverse to the Grantor's claim of ownership of the Copyrights, and there is no proceeding involving such claim threatened or pending in the United States Copyright Office or any similar office or agency of the United States of America or any State thereof, or any court.

(3) The Grantor shall promptly notify the Agent of the institution of, and any adverse determination in, any proceeding in the United States Copyright Office or any similar office or agency of the United States of America or any State thereof or any court, regarding the Grantor's claim of ownership or validity of any of the Copyrights, other than such claim which could not reasonably be expected to have a Material Adverse Effect.

(4) The Grantor is not aware of any claim on the Grantor's right to the exclusive use of or practice of the works covered by the Copyrights, subject only to the Permitted Licenses and to those liens referred to in and permitted by the Security Agreement.

(5) The Grantor will not do any act, or omit to do any act, whereby any of the Copyrights may become abandoned or dedicated to the public, or the remedies available against potential infringers weakened, and shall notify the Agent immediately if it knows of any reason or have reason to know that any copyright or registration may become abandoned or dedicated to the public.

(d) **General:**

(1) In no event shall the Grantor, either itself or through any agent, employee, licensee or designee, (i) file an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office or the United States Copyright Office or (ii) file any notice of security interest on any Patent, Trademark or Copyright the Grantor may acquire from a third party, with the United States Patent and Trademark Office or the United States Copyright Office thereof, unless the Grantor shall, on the fifteenth (15th) day of the month following the month after such filing, notify the Agent thereof, and, at the request of the Agent, execute and deliver or cause to be delivered any and all instruments, documents, opinions of counsel, certificates and papers as the Agent may request to evidence the Agent's security interest in such Patent, Trademark or Copyright and the goodwill and general intangibles of the Grantor relating thereto or represented thereby, and the Grantor hereby constitutes the Agent its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest in irrevocable until the Obligations are paid in full and the Loan Agreement is terminated.

(2) The Grantor has the exclusive right and power to grant the security interest herein granted; and the Collateral is not now, and at all times hereafter will not be, subject to any liens, mortgages, assignments, security interests or encumbrances of any nature whatsoever, except in favor of the Agent or as permitted under Section 5.02(A) of the Loan Agreement, and except for existing licensees, and none of the Collateral is subject to any other claim other than those identified herein. No consent of any other person and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or other third

party in the United States is required either (i) for the grant by the Grantor of the security interest granted hereby or for the execution, delivery or performance of this Agreement by the Grantor, (ii) for the perfection or maintenance of the security interest created hereby (including the first priority nature of such security interest), except for the filing of financing and continuation statements under the Uniform Commercial Code and filings with the United States Patent and Trademark Office or Copyright Office or (iii) for the exercise by the Agent of its rights provided for in this Agreement or the remedies in respect of the Collateral pursuant to this Agreement.

(3) The Grantor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license, or otherwise dispose of any of the Collateral, except as expressly permitted under the Loan Agreement, and nothing in this Agreement shall be deemed a consent by the Agent to any such action except as expressly permitted herein.

(4) As of the date hereof, the Grantor does not own any Patents, Trademarks or Copyright registrations, nor does Grantor have any Patents, Trademarks or Copyrights registered in, or the subject of pending applications in, the United States Patent and Trademark Office, the United States Copyright Office, other than those described in Schedules A, B, and C hereto. The Grantor shall deliver on a quarterly basis updated Schedules A, B and C showing any changes in the Patents, Trademarks or Copyrights owned by the Grantor.

(5) The Grantor will take all necessary steps in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or, with respect to Trademarks, any similar office in any other state thereof, to maintain each application and registration of the Trademarks, Patents and Copyrights including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings (except to the extent that dedication to the public, abandonment or invalidation is permitted hereunder or under the Loan Agreement).

(6) The Grantor assumes all responsibility and liability arising from the use of the Trademarks, Patents and Copyrights and the Grantor hereby indemnifies and holds the Agent and the Banks harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of any alleged defect in any product manufactured, promoted or sold by the Grantor (or any affiliate or subsidiary thereof) in connection with any Trademark or Patent or out of the manufacture, promotion, labeling, sale or advertisement of any such product by the Grantor (or any affiliate or subsidiary thereof). The Grantor agrees that the Agent and the Banks do not assume, and the Agent and the Banks shall have no responsibility for, the payment of any sums due or to become due under any agreement or contract included in the Collateral or the performance of any obligations to be performed under or with respect to any such agreement or contract the Grantor, and the Grantor hereby agrees to indemnify and hold the Agent and the Banks harmless with respect to any and all claims by any person relating thereto.

(7) The Agent may, in its sole discretion, pay any amount or do any act required of the Grantor hereunder or requested by the Agent to preserve, defend, protect, maintain, record or enforce the Grantor's obligations contained herein, the Obligations, the Collateral, or the right, title and interest granted the Agent herein, and which the Grantor fails to do or pay, and any such

payments shall be deemed an advance by the Agent to the Grantor, and shall be payable on demand together with interest at the highest rate then payable on the Obligations.

(8) Unless an Event of Default shall have occurred and be continuing, the Grantor shall have sole discretion in making the decision to commence and prosecute in its own name, as real party in interest, for its own benefit and at its own expense, such suits, proceedings or other actions for patent infringement, trademark or service mark infringement, unfair competition, dilution, copyright infringement, oppositions or cancellations or other damages as are in the good faith exercise of its commercially reasonable business judgment necessary to protect the Patents, Trademarks, Copyrights and registrations therefor, including, with respect to the Grantor, those set forth in Schedules A, B and C. The Grantor shall promptly notify the Agent in writing as to the commencement and prosecution of any such actions or proceedings relating to the Patents, Trademarks and Copyrights and the registrations therefor and shall provide to the Agent such information with respect thereto as the Agent may request. The Grantor shall not approve any settlement of any such actions or proceedings unless such settlement shall be, in the good faith exercise of its commercially reasonable business judgment, in the Grantor's best commercial interests.

(9) All licenses of the Trademarks, Patents and Copyrights which the Grantor has granted to third parties as of the date hereof are set forth on Schedule D hereto.

(10) The Grantor shall to the extent it deems reasonable in its best business judgment use proper statutory notice in connection with its use of each of its federally registered trademarks and service marks contained in Schedule A and on any copyrighted works.

(11) If any event occurs with respect to the Collateral which could be reasonably likely to have a Material Adverse Effect, the Grantor shall take all steps which it or the Agent deems appropriate under the circumstances to preserve and protect the Collateral, including, without limitation, maintaining the quality of any and all products or services used or provided in connection with the Collateral, at a level consistent with the quality and services as of the date hereof, and taking all steps necessary to ensure that all licensed users of any of said Collateral use consistent standards of quality.

(12) In the event that the Grantor becomes aware that any item of the Collateral is materially infringed or misappropriated by a third party, the Grantor shall promptly notify the Agent and shall take such actions as the Grantor or, if an Event of Default shall have occurred and be continuing, the Agent deems appropriate under the circumstances to protect such Collateral, including, without limitation, suing for infringement or misappropriation and for an injunction against such infringement or misappropriate. Any expense incurred in connection with such activities shall be borne by the Grantor.

3. Upon the occurrence and during the continuance of an Event of Default, in addition to all other rights and remedies of the Agent, whether under law, the Loan Agreement or otherwise, all such rights and remedies being cumulative, not exclusive and enforceable alternatively, successively or concurrently, without (except as provided herein) notice to, or consent by, the Grantor, the Agent shall have the following rights and remedies: (a) upon ten

(10) days' prior notice to the Grantor, the Grantor shall not make any further use of the Patents, the Trademarks, the Copyrights or any mark similar thereto for any purposes; (b) the Agent may, at any time and from time to time, upon ten (10) days, prior notice to the Grantor, license, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any of the Patents, Trademarks or Copyrights throughout the world for such term or terms, on such conditions, and in such manner, as the Agent shall in its sole discretion determine; (c) the Agent may (without assuming any obligations or liability thereunder), at any time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of the Grantor in, to and under any one or more license agreements with respect to the Collateral, and take or refrain from taking any action under any license agreement thereof, and the Grantor hereby releases the Agent from, and agrees to hold the Agent free and harmless from and against any claims arising out of, any action taken or omitted to be taken with respect to any such license agreement; (d) the Agent may, at any time and from time to time, upon ten (10) Business Days' prior notice to the Grantor, assign, sell or otherwise dispose of, the Collateral or any of it, either with or without special or other conditions or stipulations, with power to buy the Collateral or any part of it, and with power also to execute assurances, and do all other acts and things for completing the assignment, sale or disposition which the Agent shall, in its sole discretion, deem appropriate or proper; and (e) in addition to the foregoing, in order to implement the assignment, sale or other disposal of any of the Collateral pursuant to subparagraph 3(d) hereof, the Agent may, at any time, pursuant to the authority granted in the Powers of Attorney described in paragraph 4 hereof (such authority becoming effective only on the occurrence or continuation as hereinabove provided of an Event of Default), execute and deliver on behalf of each of the Grantor, one or more instruments of assignment of the Patents, Trademarks or Copyrights, if any (or any application or registration thereof), in form suitable for filing, recording or registration in the United States Patent and Trademark office and Copyright office. The Grantor agrees to pay when due all reasonable costs incurred in any such transfer of the Patents, Trademarks or Copyrights, including any taxes, fees and reasonable attorneys' fees, and all such costs shall be added to the Obligations. The Agent may apply the proceeds actually received from any such license, assignment, sale or other disposition to the reasonable costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel and other expenses which may be incurred by the Agent, and then to the Obligations, in such order as to principal or interest as the Agent may desire (unless otherwise provided in the Loan Agreement); and the Grantor shall remain liable and will pay the Agent on demand any deficiency remaining, together with interest thereon at a rate equal to the highest rate then payable on the Obligations and the balance of any expenses unpaid. Nothing herein contained shall be construed as requiring the Agent to take any such action at any time. In the event of any such license, assignment, sale or other disposition of the Collateral, or any of it, after the occurrence or continuation as hereinabove provided of an Event of Default, the Grantor shall supply its know-how and expertise relating to the manufacture and sale of the products bearing or in connection with the Trademarks, Patents or Copyrights, and its customer lists and other records relating to the Trademarks, Patents or Copyrights and to the distribution of said products, to the Agent or its designee.

4. Concurrently with the execution and delivery hereof, the Grantor is executing and delivering to the Agent, in the form of Exhibit 4 hereto, five originals of a Power of Attorney for the implementation of the assignment, sale or other disposal of the Trademarks and related

goodwill, Patents and Copyrights pursuant to paragraphs 3(d) and (e) hereof and the Grantor hereby releases the Agent from any claims, causes of action and demands at any time arising out of or with respect to any actions taken or omitted to be taken by the Agent under the Powers of Attorney granted herein, other than actions taken or omitted to be taken through the gross negligence or willful misconduct of the Agent.

5. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement and executed by the parties hereto. The execution and delivery of this Agreement has been authorized by the Board of Directors of the Grantor and by any necessary vote or consent of stockholders thereof. This Agreement shall be binding upon the successors, assigns or other legal representatives of the Grantor, and shall, together with the rights and remedies of the Agent hereunder, inure to the benefit of the Agent, its respective successors, assigns or other legal representatives. This Agreement, the Obligations and the Collateral shall be governed in all respects by the laws of the United States and the laws of the State of Rhode Island. The Grantor hereby submits to the nonexclusive jurisdiction of the Supreme Judicial Court of the State of Rhode Island and the federal courts of the United States of America located in such State in any action or proceeding arising under this Agreement. If any term of this Agreement shall be held invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby.

6. The Grantor irrevocably:

(i) agrees that any suit, action, or other legal proceeding arising out of this Agreement or any of the Loans may be brought in the courts of record of any or all of the States of Rhode Island or Pennsylvania, the courts of the United States located in any or all of such States, and may be brought in any of such courts and/or in the courts of any of the states, provinces or other locations in which the Grantor is incorporated and/or doing business;

(ii) consents to the jurisdiction of each such court in any such suit, action or proceeding; and

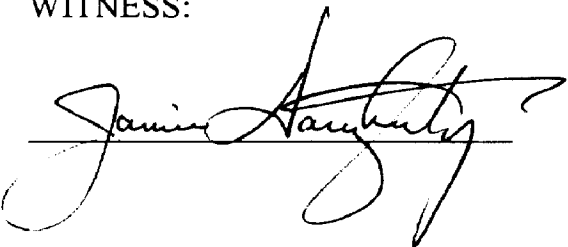
(iii) WAIVES ANY OBJECTION WHICH IT MAY HAVE TO THE LAYING OF VENUE OF SUCH SUIT, ACTION OR PROCEEDING AND/OR ANY CLAIM OF INCONVENIENT FORUM IN ANY OF SUCH COURTS AND WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY OF SUCH COURTS.

For such time as any of the Obligations shall be unpaid in whole or in part, the irrevocably designates each member of the law firm of Reed Smith LLP and any successor of such firm as its agent to accept and acknowledge on its behalf service of any and all process in any such suit, action or proceeding brought in any such court and agrees and consents that any such service of process upon such agent and written notice of such service to the Borrower by registered or certified mail shall be taken and held to be valid personal service upon the Grantor whether the Grantor shall then be doing business within the Commonwealth of Pennsylvania and that any such service of process shall be of the same force and validity as if service were made upon it according to the laws governing the validity and requirements of such service in such state and waives any claim of lack of personal service or other error by reason of any such

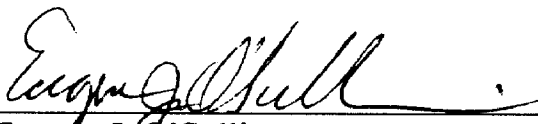
service. Such agent shall not have any power or authority to enter any appearance or to file any pleadings in connection with any suit, action or other legal proceedings against the Grantor or to conduct the defense of any such suit, action or any other legal proceeding. Any notice, process, pleadings or other papers served upon the aforesaid designated agent shall, within three (3) Business Days after such service, be sent by certified or registered mail to the Grantor at its address set forth in this Agreement.

IN WITNESS WHEREOF, the Grantor and the Agent have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

WITNESS:



CONAIR-DELAWARE, INC.

By: 
Eugene J. O'Sullivan
Vice President and Treasurer

FLEET NATIONAL BANK, as Agent

By: _____
Douglas E. Scala
Senior Vice President

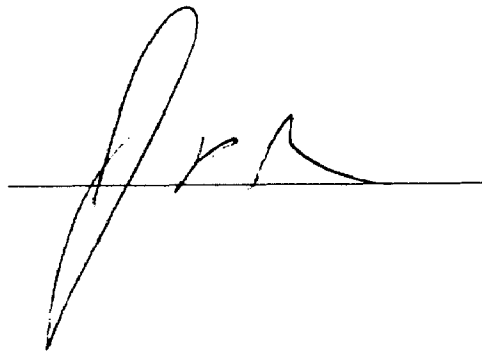
service. Such agent shall not have any power or authority to enter any appearance or to file any pleadings in connection with any suit, action or other legal proceedings against the Grantor or to conduct the defense of any such suit, action or any other legal proceeding. Any notice, process, pleadings or other papers served upon the aforesaid designated agent shall, within three (3) Business Days after such service, be sent by certified or registered mail to the Grantor at its address set forth in this Agreement.

IN WITNESS WHEREOF, the Grantor and the Agent have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

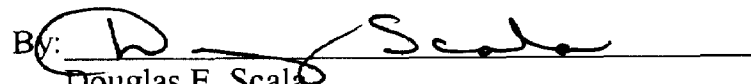
WITNESS:

CONAIR-DELAWARE, INC.

By: _____
Eugene J. O'Sullivan
Vice President and Treasurer



FLEET NATIONAL BANK, as Agent

By:  _____
Douglas E. Scala
Senior Vice President

SCHEDULE A**TRADEMARKS**

<u>BI Ref.</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Mark</u>	<u>Renewal</u>	<u>Application Number</u>
	549,155	10-9-51	Thermolator		
89174/62039	876,521	09-9-69	Autocolor	09-09-09	
89176/62293	1,216,486	11-16-82	Conair (Class 9)	11-16-02	298,553
89177/62294	1,228,922	03-01-83	Conair (Class 11)	03-01-03	298,554
89178/62295	1,233,284	04-05-83	Conair (Class 7)	04-05-03	243,696
89179/61932	1,254,344	10-18-83	Conair (Class 7)	10-18-03	243,696
89180/61934	1,261,963	12-20-83	Conair (Class 39) - Service Mark	12-20-03	364,592
88288/58516	822,790	01-24-67	Cat-A-Puller and Design (Int'l Class 7)	01-24-07	247,626
88289/58513	853,162	08-23-68	Cat-A-Puller (Int'l Class 7)	07-23-08	
88290/58512	864,210	01-28-69	Cat-A-Cutter (Int'l Class 7)	01-28-09	
88291/58515	864,212	01-28-69	Cat-A-Cutter and Design (Int'l Class 7)	01-28-09	
89170/62761	1,217,327	11-23-82	Wor-Tex Corporation State of Texas Logo	11-23-02	344422
89171/62760	1,217,328	11-23-82	Wor-Tex (Class 7)	11-23-02	344423

SCHEDULE B**PATENTS**

<u>BI Ref.</u>	<u>Patent No.</u>	<u>Serial No.</u>	<u>Description</u>	<u>Filed Date</u>	<u>Issue Date</u>	<u>Expiration Date</u>
900286	4,974,337	428,767	Apparatus and Method of Drying and Dehumidifying Plastic	10-30-89	12-04-90	12-04-07
910141	5,146,831	768,825	Quick Release Cutting Hub Assembly	09-30-91	09-15-92	09-15-09
910134	5,158,781	687,974	Traction Apparatus and Method for Tubular Material Continuation of 467,262-3/21/90; which is, continuation of 317,840-3/2/89	04-19-91	10-27-92	10-27-09
920548	5,242,289	963,372	Apparatus for Providing Controlled Cooling of Thermoplastic Strands	10-20-92	09-07-93	09-07-10
920594	5,313,864	966,300	Plastic Strand Pelletizer	10-26-92	05-24-94	05-24-11
930505	5,340,295	93,366	Vacuum Sizing Apparatus with Controlled Vacuum	07-19-93	08-23-94	08-23-11
940619	5,464,335	298,315	Vacuum Tank for Vacuum Sizing Apparatus	08-30-94	11-07-95	11-07-12
950657	5,487,225	338,418	Apparatus and Method for Controlled Drying of Plastic Pellets		01-30-96	01-30-13
940618	5,496,164	326,647	In-Line Tubing Die	10-20-94	03-05-96	03-05-13
950309	5,546,673	444,705	Plastic Pellet Dryer Control System Equipped with a Temperature Protection Device for the Heating Unit	05-19-95	08-20-96	08-20-13
961083	5,611,150	652,300	Centrifugal Pellet Dryer	05-23-96	03-18-97	05-23-16
950508	5,629,028	551,863	Underwater Pelletizer having Sealed Heat Transfer Tubes Embedded in Extrusions Die	11-07-95	05-13-97	11-07-15
950445	5,645,861	512,149	Guide Roller Assembly for a Vacuum Sizing Tank	08-07-95	07-08-97	08-07-15
950444	5,648,102	512,139	Vacuum Calibrator Tool	08-07-95	07-15-97	08-17-15
960086	5,667,546	610,421	Fitting for Conveying Granular Material	03-04-96	09-16-97	03-04-16

SCHEDULE C

COPYRIGHTS

NO REGISTERED COPYRIGHTS

SCHEDULE D

LICENSES

None

NOTICE OF SECURITY INTEREST
(IN U.S. PATENTS)

WHEREAS, _____, a _____ corporation (herein referred to as “**Assignor**”), owns the letters patent, and/or applications for letters patent, of the United States, more particularly described on Exhibit A annexed hereto as part hereof (the “**Patents**”);

WHEREAS, Assignor is obligated to Fleet National Bank, as Agent for the Banks under the Loan Agreement (as those terms are defined in the “**Agreement**” referred to below) (herein referred to as “**Assignee**”), and has entered into a Trademark, Patent and Copyright Security Agreement dated the date hereof, attached hereto as Exhibit B, (the “**Agreement**”) with Assignee; and

WHEREAS, pursuant to the Agreement, Assignor has granted to Assignee a security interest in, and mortgage on, all right, title and interest of Assignor in and to the Patents, together with any reissue, continuation, continuation-in-part or extension thereof, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof for the full term of the Patents (the “**Collateral**”), to secure the prompt payment, performance and observance of the Obligations as defined in the Agreement (or any guaranty thereof) now or hereafter owing by the Assignor.

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Assignor does hereby further grant to Assignee a security interest in, and mortgage on, the Collateral to secure the prompt payment, performance and observance of the Obligations (or any guaranty thereof) now or hereafter owing by the Assignor.

Assignor does hereby further acknowledge and affirm that the rights and remedies of Assignee with respect to the grant of security interest in and mortgage on the Collateral made and granted hereby are more fully set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Assignee's address is Attn: Douglas E. Scala, Senior Vice President, Fleet National Bank, 111 Westminster Street, Providence, Rhode Island 02903.

IN WITNESS WHEREOF, Assignor has caused this Notice of Security Interest to be duly executed by its officer thereunto duly authorized as of the ____ day of June, 2002.

[SEAL]

[GRANTOR]

By: _____

Name:

Title:

STATE OF _____)

COUNTY OF _____)

On this ____ day of June 2002, before me appeared _____ to me personally known, who, being by me duly sworn, did depose and say that he is the _____ of _____, the corporation named in and which executed the foregoing instruction in writing; that he knows the corporate seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation; and said _____ acknowledged said instrument to be the free and authorized act and deed of said corporation.

Given under my hand and seal at _____, this ____ day of June, 2002.

Notary Public

My commission expires:

NOTICE OF SECURITY INTEREST
(IN U.S. TRADEMARKS)

WHEREAS, _____, a _____ corporation (herein referred to as "**Assignor**"), has adopted, used and is using the trademarks listed on the annexed Exhibit A, which trademarks are registered in the United States Patent and Trademark Office, or are applications pending in the United States Patent and Trademark Office (the "**Trademarks**");

WHEREAS, Assignor is obligated to Fleet National Bank, as Agent for the Banks under the Loan Agreement (as those terms are defined in the "**Agreement**" referred to below (herein referred to as "**Assignee**"), and has entered into a Trademark, Patent and Copyright Security Agreement dated the date hereof, attached hereto as Exhibit B, (the "**Agreement**") with Assignee; and

WHEREAS, pursuant to the Agreement, Assignor has granted to Assignee a security interest in, and mortgage on, all right, title and interest of Assignor in and to the Trademarks, together with the goodwill of the business symbolized by the Trademarks and the applications and registrations thereof, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof (the "**Collateral**"), to secure the payment, performance and observance of the Obligations, as defined in the Agreement (or any guaranty thereof), now or hereafter owing by the Assignor.

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Assignor does hereby grant to Assignee a security interest in, and mortgage on, the Collateral to secure the prompt payment, performance and observance of the Obligations (or any guaranty thereof) now or hereafter owing by the Assignor.

Assignor does hereby further acknowledge and affirm that the rights and remedies of Assignee with respect to the grant of security interest in and mortgage on the Collateral made and granted hereby are more fully set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Assignee's address is Attn: Douglas E. Scala, Senior Vice President, Fleet National Bank, 111 Westminster Street, Providence, Rhode Island 02903.

IN WITNESS WHEREOF, Assignor has caused this Notice of Security Interest to be duly executed by its officer thereunto duly authorized as of the ____ day of June, 2002.

[SEAL]

[GRANTOR]

By: _____
Name:
Title:

STATE OF _____)

COUNTY OF _____)

On this ____ day of June 2002, before me appeared _____ to me personally known, who, being by me duly sworn, did depose and say that he is the _____ of _____, the corporation named in and which executed the foregoing instruction in writing; that he knows the corporate seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation; and said _____ acknowledged said instrument to be the free and authorized act and deed of said corporation.

Given under my hand and seal at _____, this ____ day of June, 2002.

Notary Public
My commission expires:

NOTICE OF SECURITY INTEREST
(IN U.S. COPYRIGHTS)

WHEREAS, _____, a _____ corporation (herein referred to as "**Assignor**"), has adopted, used and is using the copyrights listed on the annexed Exhibit A, which copyrights are registered in the United States Copyright Office, or are applications pending in the United States Copyright Office (the "**Copyrights**");

WHEREAS, Assignor is obligated to Fleet National Bank, as Agent for the Banks under the Loan Agreement (as those terms are defined in the "**Agreement**" referred to below) (herein referred to as "**Assignee**"), and has entered into a Trademark, Patent and Copyright Security Agreement dated the date hereof, attached hereto as Exhibit B, (the "**Agreement**") with Assignee and certain other parties; and

WHEREAS, pursuant to the Agreement, Assignor has granted to Assignee a security interest in, and mortgage on, all right, title and interest of Assignor in and to the Copyrights and the applications and registrations thereof, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof for the full term of the Copyright, and any extensions or renewals thereof to secure the prompt payment, performance and observance of the Obligations, as defined in the Agreement (or any guaranty thereof), now or hereafter owing by the Assignor.

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Assignor does hereby grant to Assignee a security interest in, and mortgage on, the Collateral to secure the prompt payment, performance and observance of the Obligations (or any guaranty thereof) now or hereafter owing by the Assignor.

Assignor does hereby further acknowledge and affirm that the rights and remedies of Assignee with respect to the grant of security interest in and mortgage on the Collateral made and granted hereby are more fully set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Assignee's address is Attn: Douglas E. Scala, Senior Vice President, Fleet National Bank, 111 Westminster Street, Providence, Rhode Island 02903.

IN WITNESS WHEREOF, Assignor has caused this Notice of Security Interest to be duly executed by its officer thereunto duly authorized as of the ____ day of June, 2002.

[SEAL]

[GRANTOR]

By: _____
Name:
Title:

STATE OF _____)

COUNTY OF _____)

On this ____ day of June 2002, before me appeared _____ to me personally known, who, being by me duly sworn, did depose and say that he is the _____ of _____, the corporation named in and which executed the foregoing instruction in writing; that he knows the corporate seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation; and said _____ acknowledged said instrument to be the free and authorized act and deed of said corporation.

Given under my hand and seal at _____, this ____ day of June, 2002.

Notary Public
My commission expires: